

UNITED



NATIONS

REPORT OF THE AGENT GENERAL
OF THE
UNITED NATIONS KOREAN RECONSTRUCTION AGENCY

for the period 1 July 1957 to 30 June 1958

GENERAL ASSEMBLY
OFFICIAL RECORDS: THIRTEENTH SESSION
SUPPLEMENT No. 16 (A/3907)

NEW YORK, 1958

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NOTE

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LETTER OF TRANSMITTAL

Seoul, Korea, 21 August 1958

Sir,

I have the honour to refer to resolution 410 (V) adopted at the fifth session of the General Assembly of the United Nations and specifically to paragraph 5 (d), as amended by resolution 1020 (XI) adopted at the eleventh session, which directs the Agent General of the United Nations Korean Reconstruction Agency to submit reports to the General Assembly of the United Nations through the Secretary-General, transmitting copies simultaneously to the United Nations Commission for the Unification and Rehabilitation of Korea.

In accordance with this resolution, I am transmitting herewith the eighth report on the organization and work of the United Nations Korean Reconstruction Agency covering the period 1 July 1957 to 30 June 1958. Simultaneous transmittal is being made to the United Nations Commission for the Unification and Rehabilitation of Korea.

It is respectfully requested that this report be transmitted to the General Assembly at its thirteenth session.

(Signed) John B. COULTER
Agent General

The Secretary-General
United Nations
New York

INTRODUCTION

1. In the annual report submitted during the past year to the General Assembly at its twelfth session the Agent General, while describing the success which had attended the course of the United Nations Korean Reconstruction Agency programme in Korea through 30 June 1957, informed the Assembly that final completion of the Agency's projects and the programme as a whole was rapidly approaching. In a separate memorandum to the twelfth session he recommended that, in the further light of an anticipated general conclusion of the Agency's operational activities during the financial year 1957-1958, cessation of UNKRA as an operational organization might well be effected at 30 June 1958. The recommendation contained in the memorandum, including a proposed plan for the completion of the Agency's residual affairs and the liquidation of the UNKRA accounts was accepted and adopted by the General Assembly in resolution 1159 (XII) of 26 November 1957. Pursuant to the expressed intent of that resolution, the undivided attention of the Agency's staff was directed throughout the reporting period towards completion of the remaining projects by 30 June 1958. Their efforts, with the assistance of the officials concerned of the Republic of Korea Government and project end-users, resulted in general success being achieved by the established date.

2. The present report, the eighth annual report to the General Assembly by the Agent General since the inception of UNKRA,¹ marks, then, the conclusion of the Agency's operational activities.² It marks as well, to all intents, the successful achievement of a major United Nations programme of economic assistance that is unique today in the records of the United Nations Organization.

3. Created on 1 December 1950 by General Assembly resolution 410 (V), that programme, carried out through UNKRA, constituted a freely joined, collective effort that has furnished important and valuable help to the Republic of Korea and its people towards the restoration of their war-wrecked economy. Contributions were made to the programme by thirty-four Member and five non-member States, amounting in all to \$140.8 million.³ Miscellaneous income added another

¹ The Agent General has submitted annual reports to the sixth, seventh, eighth, ninth, tenth, eleventh and twelfth sessions of the General Assembly (see *Official Records of the General Assembly, Sixth Session, Annexes*, agenda items 17 and 27, documents A/1935 and A/1935/Add.1; *Seventh Session, Supplement No. 19 (A/2222)*, *Supplement No. 19A (A/2222/Add. 1 and 2)* and *Supplement No. 19B (A/2222/Add.3)*; *Eighth Session, Supplement No. 14 (A/2543)*; *Ninth Session, Supplement No. 20 (A/2750)*; *Tenth Session, Supplement No. 18 (A/2936)*; *Eleventh Session, Supplement No. 16 (A/3195)*; *Twelfth Session, Supplement No. 17 (A/3651)*.

² Prior to the end of the period under review a small group of experienced personnel was selected from the UNKRA staff to commence the liquidation of the UNKRA accounts beginning from 1 July 1958. This personnel, under an Administrator and assisted by a number of qualified project officers, will also ensure that the very few projects still outstanding at 30 June 1958 are carried to full and satisfactory completion, estimated at no later than 31 December 1958, except for certain essential technical aid.

³ Annex I, section A, to this report contains a statement of Government pledges and contributions to UNKRA as at 30 June 1958.

\$7.7 million, increasing the over-all amount available to \$148.5 million. That sum, while far from meeting the total requirement of the Korean economy for assistance in the period following 1950, was sufficient, nevertheless, for an impressive measure of economic aid, the dimension of which included all fields of productive activity, agriculture, forestry, fisheries, industry and mining, as well as power, transport and communications, health, welfare, education and housing.

4. In the success that has been achieved by the UNKRA programme, mention must also be made of the vast amount of economic help that has been provided to the Republic of Korea through the bilateral aid programme of the United States Government. Amounting to more than \$1.3 thousand million since 1953, it has constituted the principal stabilizing factor in the Korean economy. Its operations permitted a far greater concentration of Agency funds on the construction of permanent productive and social facilities than would otherwise have been possible. Of very great importance, likewise, to the Korean people and the maintenance of the economy during the fighting and prior to the start of the reconstruction programmes was the general, non-military relief aid provided through the United Nations Emergency Relief Programme.⁴ Contributions were made to that Programme by twenty-eight of the Member and two non-member States, non-governmental organizations and the specialized agencies, amounting in all to \$474.4 million. The cumulative value of assistance by the international voluntary agencies, totalling almost \$85 million at 30 June 1958, has also been significant, oriented as it is to sectors of the economy where needs may often be the direst.

5. Throughout the course of the Agency's operations, the Korean people and their Government gave most willing and fullest co-operation towards the achievement of the mutual goal of economic restoration. The financial help and technical knowledge furnished through UNKRA was met with matching energy and determination. From this emerged new and expanded industrial plants, increased mining production, newly irrigated paddy fields and new fishing boats, housing developments and vocational training centres. The impressive triumph of this collective undertaking of the United Nations, in which they were a principal participant, has been even more a triumph for the people of Korea.

6. In this final operational report, the Agent General desires again to thank the contributing States for both the financial and moral support which they provided to the Agency's programme. Their contributions stand today in the form of rebuilt factories, new classrooms, orphanages, irrigation dams and many other permanent additions to the Korean economy. Their most generous

⁴ Annex I, sections B and C, to this report presents a statement of pledges, offers and contributions made to the Emergency Relief Programme.

aid has been fully and deeply appreciated by the people of the Republic of Korea and will never be forgotten.

7. In conclusion, the Agent General and his staff also wish to express to all the Member States of the United

Nations which gave their support to the General Assembly resolutions on the rehabilitation of Korea, their most heartfelt thanks for that support which provided continuing and most welcome encouragement towards the accomplishment of the Agency's mission in Korea.

Chapter I

ACHIEVEMENTS IN RECONSTRUCTION AND REHABILITATION

8. The past year, which saw the close of the operational phase of the UNKRA programme, also witnessed the completion of most of the Agency's remaining major projects—except for continuation of the technical assistance phase in certain cases. The Mungyong cement plant, the Inchon flat glass plant, the new flax, hemp and ramie spinning mill and the two new fish canneries commenced operations. Wire screen weaving looms at the Taehan Electric Wire Company also started production, while installation of the last of the new cotton looms, opening and picking units and auxiliary cotton spinning equipment at various mills throughout South Korea and the erection of the auto repair shop in Seoul were completed. In the mining field, dredging of the Taechon-ni gold placer started, and the new talc grinding plant at Chungju, the coal preparation plant at the Kangwon coal mine and the aerial tramway at the Oktong coal mine went into operation. The remaining three vocational training centres were opened, transfer of the Foreign Language Institute and Fundamental Educational Centre to UNESCO for continued operation was effected, and 1,275 additional housing units and thirty-four child welfare institutions were completed.

9. Smaller UNKRA operations, but no less important ones to the achievement of Korea's economic and social reconstruction and development, were concluded at many other project locations as well. The total number of project sites, large and small—each representing a different mine, factory, school housing development, irrigation project, orphanage or other recipient of UNKRA material or technical aid—at which the Agency had completed its activities at the end of June 1958, amounted to 4,830, out of a grand total of 4,919 sites encompassed by the programme from its inception through the conclusion of the operational phase on 30 June.⁵

10. This report represents the final report by the Agent General to the General Assembly. The activities and accomplishments of the past year were important. They are, however, a part only of the total United Nations programme of economic aid to Korea. The Agent General, therefore, considers it desirable to present at this time not only a report on the twelve months' period just past but to include as well a brief review of the over-all accomplishments of the Agency from the

⁵ The grand total of sites rose from 4,664 at 30 June 1957 to 4,919 at 30 June 1958. The increase reflects new sites added during the reporting period as the result of further activities under already established projects, specifically, small industrial plants and mines aided through the UNKRA loan funds, the third phase sites (final) of the flood control programme, and new housing development areas. Activities at outstanding sites will be completed under the direction of the Agency's liquidation staff. Annex II to this report shows the location of the UNKRA project sites by province and major project category, together with the completion status as of 30 June 1958.

start of the first major programme in 1952-1953 through 30 June 1958. This is included, by areas of activity, in the following paragraphs of this chapter. The achievements described therein, achievements towards the common goal of reconstruction and rehabilitation of the Republic of Korea's economy, constitute, the Agent General believes, a record of which the United Nations may well be proud.

Industry

11. The Agency's largest over-all investment allocation in foreign exchange was made in the industrial field. Amounting to \$27.5 million for machinery, materials and technical assistance, it financed projects that restored, expanded or provided new facilities to increase production in the basic cement, textile, paper and flat glass industries. Additionally, it included saltern repair and expansion, construction of auto repair shops, rehabilitation of wire plants and small farm tool factories, establishment and restoration of fishnet factories and the provision of coal briquetting plant equipment. As an effective means to increase the output of consumer goods, it provided a substantial sum for direct financial assistance to already established small manufacturing enterprises.

CEMENT PRODUCTION

12. The division of Korea left only one large cement plant in the southern half of the country, located at Samchok, Kangwon Province. This plant, with a rated annual capacity of between 75,000 and 100,000 metric tons, suffered damage during the invasion and deterioration thereafter; periodic power outages also affected production. As the initial step in a two-part programme to increase domestic cement output its buildings and machinery were repaired and a new 2,200 kW diesel standby power plant was added. Reconstruction was completed in 1955 at a total cost of \$527,500.

13. This was followed by the construction of a new cement plant, with an annual production capacity of 200,000 metric tons, located at Mungyong, Kyongsang Pukdo, where test drillings had proved sufficient, high-grade limestone for long-range operation. The plant was designed, built, equipped (and is now being furnished with supervisory assistance) by a reputable international firm under contract to the Agency, at a total expenditure of \$9 million. Construction at the plant site began in July 1955; it culminated on 26 September 1957 with the start of the first of the plant's two 100,000 metric-ton kilns. (The second kiln commenced operation in January 1958.) By the end of the reporting period, production was at the full 200,000 metric-ton rated capacity. The cement produced meets all specifications stipulated in the contract, and is in steady demand.

14. These two UNKRA projects have provided Korea with domestic production facilities that are able to meet a goodly part of the cement requirement for expansion of the irrigation system, public works and general industrial, commercial and home construction. The resultant reduction in cement imports at the same time further assists the economy through large annual savings in foreign exchange.

TEXTILE PRODUCTION

15. The UNKRA textile industries rehabilitation and development programme was completed in June 1958 with the start of operations at a new flax, hemp and ramie spinning mill in Anyang, Kyonggi Province. The programme, which included projects aggregating \$9 million for cotton, woollen, silk and bast fibre production, was initiated in 1954 with the installation of 55,440 spindles—capable each year of producing enough yarn to weave 39 million yards of cloth—at cotton mills in Anyang, Kwangju and Taejon. Three modern cotton opening and picking units, each with a capacity to serve 25,000 spindles, were also installed that year. To these three were added five more units supplied during 1956-1957 (the last installation was completed in August 1957) to mills at Kwangju, Incheon, Pusan and Taegu. Having a combined capacity of 200,000 spindles, the eight units now serve approximately one-half of the cotton spindles regularly operated in South Korea.

16. Agency estimates of the total requirement for cotton looms for the full utilization of South Korea's spinning capacity indicated a need to import about 2,500 units. It was anticipated that about 400 of these would be provided through private sources; the remaining 2,100 were included in the Agency's programme. Installation began in 1956 at mills in Anyang, Taegu and Taejon and was completed in August 1957. These 2,100 looms have increased total annual weaving capacity by 30 million yards. UNKRA also provided for the cotton textile industry \$113,830 worth of auxiliary conversion equipment to enable existing spindles to be used with this more modern equipment.

17. Slightly more than \$1 million from the total Agency textile allocation was used to expand and improve woollen and worsted production. This was designed to help meet the marked rise in demand for woollen and worsted cloth which occurred in South Korea following 1950 and, concurrently, to reduce foreign exchange expenditures. Two projects were included: one, a new worsted spinning mill at Masan, Kyongsang Namdo, at a cost of \$594,940, the other, the modernization and expansion of an existing woollen and worsted dyeing and finishing plant (\$440,000), also at Masan. The spinning mill, with a monthly capacity of 85,000 pounds of yarn, was completed in December 1956, while the dyeing and finishing plant, which can process 100,000 yards of woollen and worsted cloth a month, commenced operations in February 1957. To help ensure proper employee training at both plants, the Agency furnished expert technical assistance to the former until September 1957, and to the latter until December 1957.

18. UNKRA also carried out restoration and improvement of the Republic of Korea's only silk waste plant, located at Chonju, Cholla Pukdo, which had been partially destroyed during the war. The buildings of this plant were repaired and some of the

original machinery was returned to operating condition by the plant management; however, lack of important units for its silk dressing machinery prevented the processing of silk waste. At a total cost of \$292,800, UNKRA provided both the essential replacement parts and, in addition, 5,700 new spindles which permit the spinning not only of silk, but also of mixed silk, wool and synthetic yarns. Installation of the spindles was completed during the first half of 1957, while the last of the replacement parts arrived during July 1957. The fully rehabilitated and improved plant now provides Korea with the capability of utilizing a substantial quantity of waste silk which formerly was exported at about one-fourth of the processed value and additionally, of producing domestically the mixed yarns for which there is now a steadily growing demand.

19. The final Agency project in the textile field provided \$825,000 for the establishment of a flax, hemp and ramie spinning mill at Anyang, Kyonggi Province. Erection of machinery started in September 1957 and was completed in May 1958, and plant operations began in June. In May-June 1958, the Agency through its commodities programme also imported 465 metric tons of flax fibres for sale to the new plant. These will be sufficient for the first year's spinning operations, exclusive of the processing of hemp and ramie fibres which are available locally. In connexion with the development of domestic flax production, UNKRA earlier, during February and March 1958, also imported 150 metric tons of flax seed. This has been planted and is expected to produce sufficient fibre for next year's operation, as well as seed for future planting.

PAPER PRODUCTION

20. A total of \$1.4 million was allocated to restore and expand the production facilities of three important paper plants. The Agency initially, during 1953-1954, restored production at the Sam Duk Paper Manufacturing Company, Anyang, Kyonggi Province, to the pre-invasion level of 100 metric tons of one-sided paper a month. An expansion programme for this plant was then undertaken providing additional machinery and technical aid at a cost of \$319,500 to convert production capacity to 300 metric tons of one-sided paper and 1,600 metric tons of better grade bond paper annually. This was virtually completed at 30 June and operations will start in July. Sam Duk's output of bond paper will save an estimated \$250,000 annually in foreign exchange expenditures.

21. At the Korea Paper Manufacturing Company in Kunsan, rehabilitation of two Fourdrinier lines was carried out, the first being completed in July 1955 and the second restored early in the period under review. This plant, which at 30 June 1958 was South Korea's only operating newsprint plant, was rehabilitated at a total cost of \$358,000. It is now able to produce up to 1,000 metric tons of newsprint a month, depending upon the availability of raw materials. That quantity is sufficient to meet one-third of the presently estimated total domestic requirement.

22. Work on the third project, a kraft paper plant at Oryu Dong, Kyonggi Province, is proceeding. In this plant, which has a rated capacity of 9,000 metric tons annually, UNKRA at an expenditure of \$546,000 is providing South Korea with its first modern facility for the production of kraft paper. The Agency has also furnished bag-making equipment to the same company.

Following the start of kraft paper production, the plant will be able to supply directly the heavy-duty bags needed for the cement, fertilizer, talc, sugar and other industries, all of which are now imported. The combined operation is expected to result in a saving in foreign exchange that may approach \$750,000 annually.

FLAT GLASS

23. The Republic of Korea's first flat glass plant, UNKRA-built and equipped, commenced operations on 30 September 1957. The drawing of flat glass by the first of the plant's two fourcault machines began on 24 October and the plant became fully operational in November. An associated unit of 500 metric tons' annual capacity to manufacture wire-reinforced glass—this unit is also being used to make frosted and figured glass—started production in December. The new plant, located at Inchon, cost approximately \$3.3 million, including provision for technical assistance. It has an annual capacity of 12 million square feet, sufficient to meet South Korea's estimated normal demand. However, presuming the likelihood of future increases in requirements, the plant has been designed to allow installation of a third fourcault machine which would raise annual output to 18 million square feet.

24. Plant operations are being carried out under the guidance of an UNKRA-furnished team of glass technicians. The Agency has made provisions for continuance of key members of this team into 1959 in order to assure full training for the plant's management and employees in this new industry.

SMALL BUSINESS LOANS

25. The UNKRA revolving small business loan fund continued to function throughout the reporting period, and 366 additional local currency loans valued at *hwan* 711,000,000, as well as two foreign exchange loans amounting to \$26,220, were made to small industrial plants for the purchase of new equipment and raw materials. The *hwan* loans increased the grand total since the active initiation of the fund in August 1954 to *hwan* 2,120,849,000, while the foreign exchange loans raised to \$2,116,500 the total amount provided. The latter two loans exhausted all foreign exchange available to the operation. As of 30 June 1958, the Agency had provided through this fund a total of 1,719 loans—of which 376 were in foreign exchange and 1,343 in local currency—to 1,402 separate small industrial establishments, encompassing more than one out of every five small industrial enterprises in the Republic of Korea.

26. Previous reports have indicated the importance of these UNKRA loans to the small producer, who plays a vital role in Korean consumer goods manufacture. Their significance and range are obvious in the list of small plants helped, which have included factories processing or making medicines, chinaware, nails, cotton and woollen fabrics, fish nets, paint, starch, leather articles, matches, paper, vegetable oils, soap, candles, rope, ice, bicycles, plastics, rubber goods, farm tools, tile, lacquer and bamboo ware, shoes, storage batteries, salt, cast-iron products, electric light bulbs, grindstones and various chemicals. The loans in foreign exchange were made entirely for new equipment needed for plant modernization or expansion. They provided machinery

to make pencils, flashlight batteries, tin cans and zippers, and equipment or materials such as industrial diamonds, looms, dyeing equipment, industrial sewing and knitting machines, black-and-white and colour-film processing equipment and the like. Most of the local currency loans were granted for the purchase of raw materials; however, some also provided equipment made domestically, such as vacuum pumps, lathes, a wire machine, metal cutting and milling machinery, a metal press, candle-making equipment, a plastic extruder, an iron smelting furnace and shoe machinery.

27. Foreign exchange is no longer available through this Agency-established loan fund. However, there now exists an amount totalling *hwan* 892.9 million, representing the repayment value in *hwan* of the foreign exchange loans and a sum of *hwan* 205.3 million provided directly by UNKRA which is intended to function indefinitely as a revolving local currency fund furnishing a constant source of assistance for the operations and expansion of Korea's small industries.

OTHER INDUSTRIAL AIDS

28. Parallel with its rehabilitation and developmental activities in the major industrial fields, UNKRA carried out a number of other projects designed to meet specific industry requirements, at a total allocation of almost \$1.6 million. In Seoul, an auto repair shop was erected and equipped to provide the capital area with adequate, modern facilities for complete rebuilding of civilian truck, passenger car and jeep motors, diesel and marine engines, to manufacture automotive parts no longer obtainable, and afford, as well, up-to-date general body repair and vehicle maintenance service. This shop was completed in July 1957. A similar shop under way at Pusan is expected to be completed before the end of 1958 to furnish similar facilities to the area around South Korea's largest port city. The Agency has also made available an experienced international automotive shop foreman to assist in installing equipment and to provide training in modern shop practices.

29. In a programme to help the Government rehabilitate and expand domestic salt production, UNKRA imported at a cost of \$406,450 materials which were used to repair saltern dikes, salt pans and storage facilities as well as to develop new saltern areas, and equipment such as small locomotives, rails, etc. to restore and extend the salt collecting system. Copper wire drawing, insulating and cable-making machinery valued at more than \$100,000 was furnished to two important electric wire plants, one at Sihung, Kyonggi Province, the other at Inchon, together with materials for needed building repairs. Some \$60,000 in wire weaving looms and accessory equipment also was provided to the Sihung factory to enable the manufacture of wire screening, including small mesh insect screens not previously made in Korea. Weaving machines and winders valued at \$95,000 were furnished for seven fish net making factories. This equipment increased South Korea's annual capacity to produce small mesh nets by 500,000 pounds, enough to supply about one-half of the present yearly requirement. An Agency project provided machinery for factories making farm tools, another furnished three large briquetting presses to process Korean anthracite coal for industrial use and, as part of its industries' programme, the Agency also made a preparatory engineering study on the location and development of chemical fertilizer plants in South Korea.

Mining

30. The Agency's mining programme, to which a total of \$13 million was allocated, had two main goals: (1) to increase the production of coal needed for Korea's factories and power plants, and for home use, in the latter case being aimed at offsetting in part the great demand for firewood, thus reducing the serious drain on the nation's already depleted forests; and (2) to expand mineral and metal output, with emphasis on increasing production for export. Towards the first goal, close to \$8.6 million was provided in a programme directed at raising the production of the mines of the Dai Han Coal Corporation, government-owned and the country's largest single producer, and at developing the output of a group of high-potential private coal mines. Towards the second goal, \$4.4 million was allocated for projects which would either directly or indirectly help increase South Korea's foreign exchange earnings.

COAL MINING

31. Equipment and technical assistance provided by the Agency to the mines of the Dai Han Coal Corporation (DHCC) since the initiation of the first UNKRA project at those mines in 1953 are valued at \$6.8 million in all. The equipment has included forty-four battery, four trolley and three diesel locomotives, 200 three-metric-ton coal cars, 1,080 one-metric-ton mine cars, twelve Granby wagons, 810 metric tons of rails, eighty five-ton trucks, twenty-two rocker shovels, and eighty-two water pumps, besides large quantities of rock drills, cable, electrical equipment, miners' caps, air hose and other mining accessories. For use in highly important exploratory drilling, eleven core drills of 500-foot capacity and two capable of testing deposits down to 3,000 feet were provided. An underground conveyor system, the first in Korea, was installed at the DHCC Changsong Mine in Kangwon Province, while a coal-preparation plant has been purchased for the Eunsong Mine in Kyongsang Pukdo (this plant, which is scheduled for delivery in October 1958, constitutes the only major item now outstanding).

32. The technical assistance to carry out this major programme was provided through a team of international coal-mine specialists, engaged by the Agency to afford the technical knowledge and help called for by an undertaking of this dimension. These men were stationed in the field at the Corporation's Changsong, Togye, Eunsong, Machari (Yongwol), Hwasun and Hambaek mines from summer 1954 until spring 1958. They helped install new equipment, provided on-the-job guidance to miners and management and introduced modern production and handling techniques. They further assisted at the DHCC head office in Seoul in the development and improvement of procedures concerned with procurement, accounting, personnel management, design, and the like. The skill and determination with which members of the team carried out assignments contributed greatly to the striking success achieved by the programme.

33. The results of UNKRA aid to the mines of the Dai Han Coal Corporation (DHCC) were very much in evidence during the calendar year 1957, as production increased by a further 20 per cent to a total of 1,520,380 metric tons. This compares with 1,261,950 metric tons produced in the calendar year 1956 and 682,605 metric

tons produced in 1953, the year UNKRA commenced aid to the DHCC mines.

34. During 1955, with restoration and development of the DHCC mines proceeding, UNKRA turned its attention to the development of four high potential, privately-owned coal mines—the Oktong, Kangwon and Taebaek mines in Kangwon Province, and the Songju Mine in Chungchong Namdo. These mines were variously supplied with locomotives, mine cars, dump trucks, compressors and electric sub-stations, together with substantial quantities of mining tools. Additionally, a coal-preparation plant was provided to the Kangwon Mine, a three-and-one-half mile long aerial tramway to the Oktong Mine, and an elevator-conveyor loading system was established at the railcar loading station of the Songju Mine.

35. Project activities at the Kangwon and Songju mines were generally completed during the period. Work at the Oktong Mine also was concluded, except for a railcar conveyor loading system at the tramway discharge point which is scheduled for delivery in September. Directly related to this UNKRA aid, production at the Kangwon Mine rose from 97,387 metric tons in 1956 to 153,653 in 1957, at the Songju Mine from 43,366 to 67,639 metric tons and at the Oktong Mine from 61,880 to 70,487 metric tons. Installations completed at the Oktong Mine in the spring of 1958 will undoubtedly result in a still larger proportionate increase at that mine during the calendar year 1958. Development work on the Taebaek Mine suffered various delays during the period, largely owing to inaction on the part of the mine management. All equipment for the mine is in Korea and the Agency is pursuing with the Government the best means of carrying this project to a successful conclusion that will bring to the economy the full benefit implicit in the proved potential of the mine.

METAL AND MINERAL MINING

36. The Agency's activities in the metal and mineral mining field began with the construction of a basic mineral assay and ore dressing laboratory at Taejon, Chungchong Namdo. Opened in March 1954, the laboratory operated under the supervision of Agency mining technicians until 30 June 1956. It was then turned over to the Ministry of Commerce and Industry for direct operation as part of the national geological survey, although UNKRA still continued to provide technical assistance until November 1957. Today, under the operation of a competent Korean technical staff who were trained by the Agency's mining specialists, this important laboratory provides the only complete, modern analytical and ore dressing facilities available within the country to Korea's miners.

37. Another undertaking of basic importance to continued metal mining development in the Republic of Korea is the full-scale modernization of the nation's only non-ferrous smelter and refinery, located at Changhang, Chungchong Namdo, which the Agency now has under way at a cost of \$1.5 million. During the reporting period, work on this project moved rapidly towards completion with the finishing of the new smelter building and installation of a 40 metric-ton electric overhead crane; the furnace blowers and the cyclones, and all remaining activity are scheduled for conclusion by December 1958. To help improve operating procedures, the Agency sent two senior Korean technicians during

July-October 1957 on an observation and study tour of modern smelting and refining practices in Europe and North America, and the plant manager and smelting section chief were dispatched on a similar trip to Australia and Europe during March-June 1958.

38. The modernization will result in a significant increase in the capacity to smelt and refine copper, gold and silver. The pre-rehabilitation total of 90 metric tons of copper a month can be raised to between 350 and 400 metric tons following completion of the project; silver from one-half to one metric ton and all gold ore available can be processed. This smelter and refinery represents an important economic factor in mining development permitting the working of many small mines which could not profitably ship ores abroad for processing. The anticipated reduction in charges which modernization will achieve should offer a still further stimulus to Korea's metal mine development.

39. During 1954, an UNKRA-conducted test drilling survey of the Taechon-ni gold placer area in Cholla Namdo showed a substantial quantity of recoverable gold. A bucket-ladder dredge was thereupon purchased—at a cost of \$591,500, including technical assistance for initial operations—to carry out large-scale commercial exploitation of the deposit. It arrived in Korea in December 1956 and assembly was completed and dredging started in July 1957. This project has resulted not only in a good source of foreign exchange for Korea, but is at the same time providing a practical demonstration for Korean miners of the possibilities and value of dredging other known placer deposits.

40. A highly successful project aimed at increasing foreign exchange earnings was the establishment of a talc grinding plant at a mine near Chungju, Chungchong Pukdo, completed in February 1958. This new plant, provided at a total cost of \$129,000, is now operating on a twenty-four-hour-a-day schedule turning out high-grade talc powders to fill domestic and export orders. The mine formerly exported raw talc at a price very much lower than that obtained for the present milled product. Other UNKRA aid that has resulted in substantially increased mineral production for export was furnished to the Chungju Iron Mine. This haematite mine was supplied with modern mining tools and exploratory equipment valued at \$96,000. As a direct result, production rose from 34,370 metric tons in 1956 to 48,840 in 1957.

41. Through the UNKRA Mine Loan Fund, development aid in the form of foreign exchange and local currency loans was also given to ten smaller mining operations, considered potentially good foreign exchange earners. Included are loans made during the period to the Tolsan Gold Mine in Cholla Namdo (\$13,500 and *hwan* 5,000,000), Kunbuk Copper Mine in Kangwon Do (\$50,000), and Pyongjibang Gold Mine in Kyongsang Namdo (\$35,000 and *hwan* 5,000,000). Similar loans were granted previously to four other gold mines, a mine producing copper, lead and zinc, a monazite placer mine and a limestone mine. As of 30 June 1958, a total of \$383,500 had been provided in foreign exchange to these ten mines for the importation of mining equipment, and *hwan* 49,750,000 in local currency to help meet local and equipment installation costs. Assisted by the loans, they should contribute materially toward the restoration and expansion of the Korean economy.

42. The Mine Loan Fund, similar to the UNKRA Small Business Loan Fund, is planned to operate on a rotating basis. While all of its foreign exchange has been exhausted, nevertheless the Fund now has a total capital of *hwan* 234,000,000—comprised of *hwan* 184,250,000 representing repayments in local currency of the foreign exchange loans and *hwan* 49,750,000 provided by the Agency as a regular part of the project—which can be used continuously in the future to provide assistance to other worthy small mining ventures.

43. Erection of a new 200-ton-a-day mill at Sihung, Kyonggi Province, to expand facilities for the production of crystalline graphite for export is proceeding rapidly, and operations are scheduled to start in September 1958. The mill is located at a vast deposit containing an estimated reserve of twenty million tons of raw ore. Since quality crystalline graphite is in steady demand and commands a good price in the export market, this operation should provide Korea with a continuous source of foreign exchange. The Agency is likewise furnishing the services of a qualified mining engineer for the initial operational stage.

44. Three other projects, all completed, round out the UNKRA metal and mineral development programme. Mining equipment for use in exploratory work, valued at over \$94,000, was provided to the Government Bureau of Mines. The Bureau arranges for rental use by mine operators, in this way obviating duplicate purchases of identical equipment having only a limited use to a particular mine owner. The Agency also provided parts valued at \$94,000 to repair six diamond drills owned by a private exploration company. The drills, which were damaged during the invasion, have been fully rehabilitated and are now in full use. The remaining project, development of an existing, potentially profitable gold mine at Yangji-ri, Chungchong Namdo, as a self-supporting venture which would provide facilities to miners for training in metal techniques, was concluded in June 1957, when the mine was transferred to the Korea Tungsten Mining Corporation for further development as a commercial operation.

Power

45. Two major projects were included in the Agency's power rehabilitation programme, which totalled \$3.4 million. One, a \$2.8 million undertaking completed during December 1956, effected repairs to and extended the country's 550-kilometre-long, 154-kV power distribution system, restored and extended the 66-kV transmission system in south-west Korea, and accomplished repairs to existing power generating plants and sub-stations. *Inter alia*, a new transformer was installed at the Yongwol power plant which increased the plant's output limit from 30,000 kW to 60,000 kW, while a sub-station near Seoul was equipped with a new 60,000 kVA transformer that restored 66 kV transmission to the capital city for the first time since 1951. Equipment installed at Taejon gave protection to the entire South Korean power transmission system, while a new sub-station at Chinyong-ni in Kyongsang Namdo extended 154-kV transmission to the Pusan-Masan area, and construction of virtually a new 66-kV transmission system, in Korea's south-western provinces made it possible to send reliable power from Taejon to Mokpo, 260 kilometres away. As a result of this project, South Korea's main trans-

mission and distribution facilities were restored to meet a minimum power requirement of 120,000 kW.

46. The second major undertaking, carried out at an expenditure of \$525,000, rehabilitated and improved power facilities on the island Province of Cheju. New power-houses were built at Cheju City and the towns of Sogwipo and Mosulpo, while existing transmission lines were re-arranged and extended to furnish better service and reach new customers. A new power-house and transmission system was also provided at Hallim giving that town electricity for the first time in its history. This project was completed in July 1956.

47. The value of the UNKRA power programme to the restoration and development of the Korean economy has been noted by the Agent General in previous reports to the General Assembly. That value continues today, undiminished, as the facilities rehabilitated and improved by the Agency's projects allow more effective transmission of power for use to Korea's factories, mines, homes, schools and welfare institutions and to other users of electric power.

Transport and communications

48. The Agency's \$5.5 million transport and communications rehabilitation programme was successfully concluded during the first half of the calendar year 1957. It provided both timely and valuable assistance. In the first stage of the reconstruction effort in 1953 and 1954 it supplied a total of 310,000 rail and bridge ties urgently needed for maintenance of the secondary, non-military rail lines serving Korea's south-western provinces. That help, opportunely provided, prevented the complete disruption of rail service in a highly important area that is frequently characterized as the Republic's "granary". During those same two years, the Agency also furnished almost 600 new trucks to the hard-pressed civilian transport system, a vital addition that speeded up the movement of supplies from rail-heads to outlying districts, as well as the transport of aid goods and commercial cargoes generally. Further to improve facilities for the movement of both reconstruction and relief goods, the Agency in 1954-1955 provided \$200,000 worth of materials to rebuild freight car and locomotive shops at Seoul, engine houses at Andong and Kumchon, and repair the engine house at Chechon and the Seoul backshop power-house. At an expenditure of \$200,000, the Agency likewise replaced the machine tools and equipment, damaged or destroyed during the war, that were needed to repair freight cars and steam locomotives. This resulted in a marked increase in repair shop output and, relatedly, the availability of operable rolling stock, which favourably affected the reconstruction programme.

49. One of the most important UNKRA undertakings in this area of activity was the restoration to full operational condition of the west coast twin port of Kunsan-Chaughang, the third largest in South Korea. Four floating piers—including two of 300 feet in length and one of 220 feet—which are absolutely essential for continuous, direct cargo handling from ship to shore owing to the great variation in local tides, were re-established and extended. Two 100-foot and two 50-foot finger piers were newly built, general repairs were effected to quays, roads were resurfaced, and three large warehouses were constructed, providing 75,000 square feet of protected storage space. Initially for harbour clearance work at Kunsan, but also for use

at other west coast ports, the Agency likewise provided a 2,000 h.p. 20-inch suction cutter dredge. This dredge, after completing the job assigned at Kunsan, was moved to Inchon, where it is now carrying out dredging operations essential to keeping that port open.

50. Additionally, forty-four vital navigational aids located at the entrance to the chief ports and at other important points along Korea's coast, which had been damaged or destroyed during the invasion, were rehabilitated with the use of some \$244,000 worth of new and replacement parts supplied by UNKRA, while Agency-provided parts and new equipment valued at almost \$69,000 were used to rehabilitate and improve the fourteen broadcasting stations in the Republic of Korea's national radio network.

Fisheries

51. Agency aid for the rehabilitation of Korea's highly important fishing industry, which supplies about eighty per cent of the protein consumed by the Korean people, began in 1952 with the importation of \$336,000 worth of much-needed fishing nets. This was followed by additional large imports of nets, other fisheries operational gear and supplies, materials for boat building and repair, marine engines and the like, valued at a further \$2.2 million. As a direct result of the import of the boat building materials, 486 new fishing craft were constructed while more than 1,200 others were repaired. Some forty sailing craft were likewise converted into power fishing vessels using UNKRA-supplied marine engines. At a cost of \$624,000 the Agency had ten 77-ton trawlers built in Hong Kong for deep sea fishing operations. To help reduce spoilage, and thus contribute to a greater availability of fresh fish for domestic and export needs, \$229,000 worth of ice-making and cold storage machinery, with a rated capacity of over 350,000 metric tons a year, together with materials to improve fish markets, were supplied. Additionally, two modern new canneries were established at an expenditure of \$337,000. These canneries, which were completed during the reporting period, added 300,000 cases to Korea's annual canning capacity, an increase of more than 50 per cent over previous production capability. The new plants, further, provide Korea with facilities able to meet the food sanitation standards of foreign Governments, enhancing export possibilities and foreign exchange earnings.

52. An important role in the Agency's effort to rehabilitate South Korea's fisheries was also played by the UNKRA Fisheries Loan Fund. This Fund, established in July 1953, provided loans totalling *hwan* 145,746,000 to help Korea's fishermen and their fisheries guilds build new boats, rehabilitate and expand ice plants and fish markets. Credits amounting to *hwan* 55,300,000 were likewise extended, contributing greatly to the more rapid utilization of operational supplies and boat building materials.

53. UNKRA's assistance to the fisheries industry, totalling in all \$3.6 million, constituted the major initial element in a joint foreign aid/Republic of Korea Government programme that has resulted in marked restoration and expansion of the industry. And to it is due in no small measure the significant and encouraging increase in the fish catch, which rose from 185,200 metric tons in 1953 to a total of 279,750 metric tons in 1957.

Irrigation, flood control, forestry and agriculture

IRRIGATION AND FLOOD CONTROL

54. Extension of the irrigation system, vital to the increased production of rice in South Korea, was assigned a high priority in the UNKRA programme. Initially, in 1953, the Agency selected for completion 258 projects from the Republic of Korea Government's ten-year irrigation plan that had been interrupted by the invasion. Cement, reinforcing bars, earth-moving and rock-drilling equipment, dynamite and other items valued at more than \$2.2 million were imported, and the full-time services of an irrigation engineer were provided to assist in further developing the national irrigation plan and to afford field guidance to the local irrigation associations in carrying out the projects. Lack of funds prevented sufficient imports under the UNKRA programme to complete all the 258 projects planned. However, 111 of those projects were completely finished and the first phase was carried out on the remaining 147, completion of which was assumed by mutual agreement by the Office of the United Nations Command Economic Co-ordinator. The Agency's programme, which was completed in 1956, nonetheless directly increased South Korea's fully-irrigated rice paddy by some 95,000 acres and the annual production of rice by an estimated 30,000 metric tons. Additionally, the capital equipment, bulldozers, rock-drilling tools, etc., which was supplied not only for implementation of the UNKRA projects but also for the over-all irrigation programme, continues today in constant use contributing to the expansion of the irrigation system and to further new increases in the nation's food supply.

55. Many of Korea's villages and agricultural lands located along the country's thirty-seven national and 205 provincial rivers still do not have any protection against the floods which occur during the rainy season. Others are not properly protected by existing levee systems, many of which suffered deterioration due to a lack of adequate maintenance as the result of the invasion. Floodings cause crop losses which may rise to substantial proportions. Accordingly, parallel with its irrigation programme aimed at increasing the production of food, the Agency undertook a related flood control programme. \$685,000 was allocated thereto which has provided materials to repair or build new levees, dikes, sluice gates, pumping stations and the like at eighty-one separate, priority locations, and establish ten river gauge and current meter stations. Work has been completed at sixty-nine of those locations, as well as on all river gauge and current meter stations. The remaining twelve Agency projects in this field were started during the spring of 1958, all are now actively under way, and the programme will be concluded before the end of the present calendar year. Upon completion it will give full protection from flooding to 78,000 acres of farm land, as well as affording like protection to some 98,000 persons.

FORESTRY AND PEAT PRODUCTION

56. The UNKRA forestry programme was directed at restoring the nation's main research and experimental facilities which had been largely destroyed during the invasion, re-establishing adequate facilities for the development of trained forestry leadership,

and providing the national Bureau of Forestry with the equipment necessary for an effective forest management and reforestation programme.

57. During 1953-1954, the damaged buildings of Korea's chief forestry research centre, the Central Forestry Experimental Station in Seoul, were reconstructed, some new facilities were added in order to improve and expand its operations, and the laboratory and other equipment required for a comprehensive research programme were supplied along with a basic technical library. This station has just about fully recovered from the effects of the war and is again performing the important job for which it was designed.

58. To re-establish the Department of Forestry of Seoul National University, located at Suwon, which is the main centre for academic training in forestry in South Korea, the Agency in 1954-1955 supplied adequate new equipment and professional books replacing those lost in the invasion. (The buildings used by the Department were also rehabilitated by the Agency under another project through which Seoul National University's facilities at Suwon were reconstructed.) Technical assistance was furnished and, to improve the teaching calibre of the Department's staff, two years of specialized training abroad were provided for one of its instructors and two promising graduate students. These men have successfully completed their studies and two of them are now members of the Department's faculty, while the third holds a responsible position in the Ministry of Agriculture and Forestry. The Agency additionally established facilities for training at the field level through construction of a branch forestry station in the Kwangnung National Forest, north-east of Seoul. This station, which is used also as a research facility, conducts practical training courses for foresters from the different provinces.

59. Direct assistance to the national Bureau of Forestry was given in the form of an adequate supply of professional tools and 1,624 bicycles for use by the forestry services. This equipment has greatly facilitated reforestation operations and general forestry management activities, including the prevention of illicit cutting. Supplementary equipment was also furnished to the Bureau for a tree-breeding station which is working on the development of fast-growing hybrids to be grown by the villages to meet their firewood requirements.

60. In an effort to provide supplemental sources of fuel and at the same time help reduce the demand on Korea's forests, UNKRA early initiated a project to increase the production of peat, considerable quantities of which are found in various parts of the Republic. Modern digging, cutting, briquetting and other tools and the technical services of two Danish peat experts were supplied. However, the marked rise in domestic coal output and the improvement in transport of coal from the mines to the cities, which paralleled implementation of this project, resulted in economic competition unfavourable to the development of a widespread use of peat. As a result, the Agency in 1955 decided to discontinue its efforts. Local use was, nevertheless, increased, and the equipment furnished remains in service supplying the needs of the villages situated in the area of the peat bogs.

AGRICULTURE

61. Agency activities in agriculture, except for the irrigation projects, were limited generally to the early

part of the reconstruction period, responsibility in this field then being assumed by the United States aid programme. During that early period, however, a number of valuable projects were completed. Rehabilitation and reconstruction of approximately 100 structures was effected at Seoul National University College of Agriculture and the Central Agricultural Experimental Station in Suwon to re-establish teaching and research facilities. Bicycles, motor vehicles, audio-visual and other equipment were provided to the Ministry of Agriculture and Forestry to help restore and improve the agricultural information and extension services, while other visual aids equipment was furnished for a fundamental education campaign conducted by the Ministry. Several agricultural students were sent to the United States for advanced training, and a group of Korean agricultural specialists was afforded the opportunity to inspect agricultural facilities in that country also. The important FAO/UNKRA Agricultural Mission survey in 1952-1953 of agricultural, forestry and fisheries conditions in South Korea was conducted as a part of the Agency's agriculture programme. The findings and recommendations of the Mission have since formed much of the basis for the foreign aid programmes in this field.

62. During 1952, when continuation of the fighting prevented major operations, the Agency in co-operation with an international voluntary agency imported 216,000 chicken hatching eggs to increase and improve a seriously war-depleted stock, as well as 300 swine for cross-breeding purposes and a small experimental shipment of milk goats. A substantial quantity of equipment and supplies was also furnished, largely during 1953-1954, for the provincial veterinary diagnostic laboratories, the National Livestock Quarantine Station and the Veterinary College of Seoul National University, while animal vaccine production and experimental equipment were provided to the National Veterinary Laboratory. Assistance was likewise given for a study tour by Korean veterinary leaders to several European countries, the Philippines and the United States. Under this project, a vaccination campaign was carried out in 1953 that virtually wiped out hog cholera in South Korea, while in another campaign all cattle in a zone just below the 38th parallel were vaccinated to prevent the southward spread of rinderpest disease from North Korea and Manchuria. Further valuable assistance in the veterinary field was indirectly provided through the Agency's financial year 1954 salable commodities programme which imported \$127,700 worth of veterinary supplies and equipment.

Housing

63. During the reporting period, the number of housing units included in the Agency's \$4.6 million national housing programme was increased by some 240 as the result of a final allocation of materials, raising the grand total to 10,073 units. Work continued steadily during the period and as of 30 June an over-all total of 9,591 units had been completed, 392 others were in varying stages of construction and only 90 had not been started. In Seoul, 3,929 units had been finished and 161 others were under construction, with 60 not yet started, out of the planned total of 4,150, while in Pusan comparable totals stood at 1,819 completed, 201 under way and 22 not started, out of 2,023 planned. Work was completed on all units in 27 of the 30 provincial cities and towns to which UNKRA housing has been pro-

vided and, of the over-all total of 3,900 units to be constructed in the provinces, 3,834 units were finished.

64. UNKRA-built houses are all of a permanent type, largely of cement-earth block construction, and mostly one-family dwellings. However, two-storey row houses have also been built, as in Seoul, where full land utilization is most desirable, while in Pusan several apartment buildings were constructed. As the Agent General has noted in previous reports, this programme was designed to provide not only adequate, permanent housing for some 50,000 persons, but to present likewise for the National Korean Housing Administration a full-scale model which could serve as the basis for the development of additional national housing meeting the requirements, and falling within the means, of the average Korean city family. Related thereto, the Agency's international and Korean engineering and construction staff also evolved new designs which, while based on traditional patterns, allow substantial savings of scarce lumber. They further demonstrated sound construction methods, using a maximum of domestic materials. The Agency's programme has had an effect on private construction practices as well. This was quite noticeable in Seoul during the past year when, in contrast to the usual custom of building on an individual basis, private contractors erected a considerable number of new homes following the UNKRA grouped-housing development pattern.

65. Additional to the units in its planned housing programme, the Agency has aided in the construction by the National Housing Administration of 169 western-style homes in Seoul. This was effected through the import of salable commodities such as fixtures, plumbing supplies and the like, as well as construction materials, which were sold directly to the Administration.

Education

66. Completion during the period of three vocational training centres virtually concluded the UNKRA education programme. Between 1952 and 30 June 1958-the Agency put almost \$10 million directly into projects to rebuild and expand Korea's educational facilities, while providing parallel therewith another \$1.3 million worth of textbook paper and supplies imported as salable commodities. This assistance, provided to both Government and private projects, resulted in the construction of almost 4,800 classrooms, and the establishment of seven major vocational training centres, a modern textbook printing plant, a new Merchant Marine Academy and a Fundamental Education Centre. A Foreign Language Institute also was opened, books and laboratory equipment were supplied to Korea's colleges and universities, and UNKRA-sponsored specialists teams helped improve teaching methods.

CLASS-ROOM CONSTRUCTION

67. More than \$5.3 million worth of UNKRA-imported cement, lumber, window glass, paint, roofing materials and the like, together with some \$800,000 worth of construction materials placed at the Agency's disposal by the United States Civilian Relief in Korea (CRIK) programme, were used to restore vitally needed teaching space. Allocations were worked out with the Ministry of Education so as to benefit the largest possible number of schools and at the same time provide sufficient materials to satisfy the minimum local class-

room space requirements. As a result, it was found possible to furnish 1,133 schools with UNKRA materials, sufficient for 3,776 new classrooms, and 292 others with CRIK materials (forty-four of these schools also received additional UNKRA supplies) for the repair or rebuilding of 1,000 more. All construction has now been completed on 4,755 of this total of 4,776 classrooms. The remaining twenty-one, located at scattered points throughout the country, have been started but local financing problems will delay completion into the next financial year. More than 200,000 children are regularly accommodated in these classrooms which can be found in 130 of the 132 counties (Gun) lying below the 38th parallel, as well as in the Special City of Seoul and in all of the Republic's twenty-six self-governing cities. Especially important is the fact that much of the space provided is for pupils in the elementary grades, many of whom will have completed all formal education when they leave their UNKRA-built classrooms.

VOCATIONAL EDUCATION

68. An important goal in the education programme was attained during the reporting period with the completion of the final three of seven vocational training centres established by the Agency to provide Korea with adequately equipped vocational training facilities at the high school level. In achieving this aim, seven existing technical high schools located in the areas of greatest need were rehabilitated and further expanded at a total cost of \$1.4 million, into vocational centres capable of supplying the trained technicians and craftsmen required for South Korea's restored and developing industries.

69. The initial centre was developed at Pusan in the south-east. Eleven new shop and class-room buildings were constructed and equipment valued at \$261,300 was supplied for foundry, forging, sheet metal, welding, machine, wood-working, radio and electrical shops, as well as for drafting and civil engineering departments. The second centre, at Taejon, is centrally located. Five needed shop buildings were provided there together with \$247,600 worth of equipment for courses similar to those offered at Pusan. Dedication of these two centres took place in June 1957.

70. Meanwhile, development of a specialized centre to provide training in all aspects of electrical work was undertaken by the Agency at the Seoul Electrical Technical High School. In this case, a large new main shop building was erected and \$73,000 worth of electrical equipment was supplied. The centre was completed and officially opened in April 1957. To furnish adequate general vocational training in Seoul, a centre was also established at the Kyonggi Technical High School. Three single-storey shop buildings and a three-storey laboratory building were constructed, and equipment and supplies were furnished for machine, foundry, forging, sheet metal, welding and wood-working shops and architecture and drafting departments, at a total project outlay of \$259,000. The students trained at this centre, which opened officially in June 1957, and at Seoul Electrical Technical High School will be able to fill many of the skilled jobs in the industries located in the Seoul-Inchon area.

71. Two complementary centres established at Kwangju and Mokpo serve south-west Korea. Both were completed during the period and were opened in March 1958. At an expenditure of \$228,000, the

Kwangju Technical High School was enlarged through the addition of a one-storey machine shop building, a two-storey electrical workshop and another building to house foundry, forging, pattern and wood-working shops, and adequate equipment and supplies were furnished for those shops. At Mokpo Technical High School, a chemical laboratory building and all the necessary equipment for the training of industrial laboratory technicians were provided. Another building was erected to house a wood-working shop and civil engineering testing laboratory, and a small existing building was rehabilitated as a generating house and generating equipment supplied. Project supplies and materials furnished for this centre were valued at \$101,000.

72. The seventh centre was developed at the Yosu Fisheries High School at a cost of \$80,000. An existing small cannery at the school was rehabilitated and a new ice plant and generator house were built and cannery control and fish by-products laboratory equipment, ice-making machinery, generating equipment and operational items such as nets, rope and the like were furnished. Construction and installation were completed during October-November 1957. This centre now provides complete facilities for the specialized vocational training required for the fisheries industry.

73. The Agency furnished competent technical assistance throughout this programme, including, from June 1956 until the completion of the centres, the services of a special team of international vocational education instructor-specialists. Practical overseas shop training at the Dunwoodie Institute in the United States was likewise afforded, for a one-year period completed in January 1957, to six staff members from the various centres, while an instructor from the Yosu fisheries centre was sent for a two-year course to the University of Washington, Seattle, which he completed in December 1957.

OTHER EDUCATIONAL ASSISTANCE

74. Additional to the major projects in vocational training and classroom construction, the Agency allocated almost \$3 million to carry out other undertakings of value to the restoration and improvement of the Republic's educational system. A modern textbook printing plant, fully-equipped to turn out all the textbooks needed by the nation's elementary schools, was established in Seoul. Constructed and equipped at a cost of \$236,150 as a joint project of the Republic of Korea Government, UNKRA and the United Nations Educational, Scientific and Cultural Organization (UNESCO), which donated \$100,000 towards the project, the plant has now been in operation since September 1954. The Agency, in addition, through its salable commodities import programme made available for use by the plant paper and printing supplies valued at almost \$1 million.

75. In Pusan, the Agency built and equipped a new Merchant Marine Academy, at a cost of over \$330,000, to replace a merchant marine school which had operated at Kunsan until the invasion, and then later in Pusan with inadequate facilities and lacking many instructional aids and equipment. Opened in November 1955, the new Academy, an up-to-date, self-contained institution, now provides Korea with complete, modern facilities for the training of the deck and engineering officers needed by its expanding merchant fleet.

76. In early 1953, at the request of the Republic of Korea Government, UNKRA established and staffed a Foreign Language Institute to afford intensive spoken language instruction to students and persons going abroad on official duties, for various government officials, newspapermen and others for whom it would be useful to be able to speak a foreign language, and to provide a centre where Korean teachers of foreign languages could improve speaking abilities. In 1955, the Institute also started providing instruction for the scholarship grantees of the United States aid programme prior to their going to the United States and other countries for specialized or technical training. With the rapidly approaching completion of the UNKRA programme, and in order to assure continuation of this most valuable project, the Agency on 1 September 1957 turned over operational responsibility for the Institute to UNESCO. The accomplishments of the Institute and its UNKRA staff are well attested to by the more than 2,000 persons who were furnished instruction in English, French or German during the more than four years of direct operation by the Agency.

77. The Korean universities and colleges which were located in the invasion zone suffered heavy losses in both library volumes and laboratory equipment, amounting to as much as 80 per cent. Largely during the important 1953-1954 period when those schools were in the process of re-establishing themselves, UNKRA provided important help in the form of some 39,000 text and reference books in English, French and German needed to restock their libraries, and more than \$230,000 worth of equipment for their chemistry, physics and pre-medical laboratories.

78. Between October 1953 and June 1955, the Agency supported a team of international teacher-training experts who assisted South Korea's normal schools and colleges in developing improved curricula, teacher-training techniques, instructional methods, student personnel procedures, administrative practices, and the like. National and local level workshops and demonstration classes were conducted, the Ministry of Education was assisted in revising the basic textbooks used in the nation's elementary schools, and a valuable curriculum handbook was prepared for general use by the Republic's school system.

79. Through establishment by UNKRA in 1953 of a Foreign Book Retail Store, many members of the professions, individual educators and students were given special assistance in carrying on their work and studies. By this means, almost \$78,500 worth of foreign textbooks, laboratory and audio-visual equipment, music, art, library and other supplies purchased in foreign exchange by the Agency could be sold for local currency at reasonable prices to those qualified persons, thus making available to them many needed items which could not otherwise have been obtained.

80. Other UNKRA education projects carried out during the course of the programme supplied 150,000 primers and a like number of Korean language readers to the Ministry of Education for a national campaign to reduce illiteracy, as well as audio-visual equipment and aids valued at \$35,000 for a mobile education project. South Korea's eighteen normal schools were provided with \$100,000 worth of equipment and supplies for biology and chemistry laboratories, together with educational films, projection equipment and other items, while twenty-seven commercial high schools

were furnished with typewriters. The Central Meteorological Observatory and its thirteen branch stations were given new equipment valued at \$35,000 and over \$85,000 worth of vocational equipment was made available to the Ministry of Justice for practical training courses for prison inmates.

Fundamental education and community development

81. About 55 per cent of Korea's households are engaged in full-time farming, and another 5 per cent in part-time farming. Improvement of their general economic situation, health, education, etc., constitutes one of the basic requirements to the improvement and orderly development of the Republic of Korea's economy as a whole. In this connexion, the UNESCO/UNKRA Educational Planning Mission recommended the establishment of a fundamental education centre which could provide trained leaders for a nation-wide programme of community development. During 1956, following agreement between the Agency and UNESCO on staffing assistance by the latter, UNKRA built and equipped a centre at Suwon, Kyonggi Province, and the first training programme began in November of that year. The Centre now offers a regular two-year course, one year of which is spent at the Centre and one year on field projects, giving complete training in all aspects of community development. Shorter, specialized and refresher courses are also provided. Operation of the Centre is now under the administration of UNESCO, to which it was transferred by mutual agreement on 1 September 1957 in order to ensure continued United Nations participation following completion of the Agency's programme in Korea.

82. Direct activities in the field of community development were also sponsored by the Agency through the provision of three internationally-staffed community co-ordinated development teams, which served in Korea for periods between February 1954 and January 1957. These teams carried out multi-purpose improvement projects in certain villages and rural areas in the provinces of Kyonggi Do, Kyongsang Pukdo and Chungchong Namdo.

83. Additionally, between April 1953 and July 1955 UNKRA implemented a highly successful programme of community development employment which demonstrated through Agency-engendered community self-help projects the value and results of co-operative voluntary effort on the part of the villagers and neighbourhood groups to improve local conditions. In carrying out the programme, 464 projects were successfully undertaken, including construction of or repairs to small irrigation dams, village access roads and bridges, community wells and reservoirs, and the like. Over 92,000 families throughout South Korea were estimated to have benefited directly from those projects.

Health, sanitation and welfare

84. The total of UNKRA allocations to health, sanitation and welfare projects as of 30 June 1958 amounted to almost \$8 million. As in the other areas of Agency activity, the projects in this field were generally directed at restoring or developing facilities of a permanent nature. *Inter alia*, the Taegu Medical College and Teaching Hospital was reconstructed and expanded, a National Rehabilitation Centre for the physically handicapped established, and the National Chemical Laboratory re-

habilitated. Orphanages and hostels were also constructed and workshop facilities were provided for widows with dependent children. Still under way are a new National Medical Centre and the National Vaccine Laboratory, both of which are to be completed during 1958.

TAEGU MEDICAL COLLEGE AND HOSPITAL

85. The WHO/UNKRA Health Planning Mission in late 1952 recommended that Taegu Medical College and Teaching Hospital be restored to provide the Republic of Korea with a modest, but fully-equipped centre affording modern training to medical students and nurses. Subsequently, during 1953 and 1954, UNKRA carried out at a total cost of \$813,000 extensive reconstruction of both the College and Hospital, also adding a number of desirable new facilities. Medical equipment, furnishings and supplies valued at more than \$280,000 were provided, and to help improve teaching standards, arrangements were made with the Swiss Federal Council to supply a Swiss medical team for the Teaching Hospital. That assistance was continued from September 1954 until the close of the present reporting period. To help improve professional standards further, a Korean doctor from the Hospital was sent to Switzerland in June 1957 for two years of practical training, and a nurse will depart in early July 1958 for a similar period of study.

NATIONAL MEDICAL CENTRE

86. The Agency during 1956 also began construction of a National Medical Centre in Seoul that will offer modern facilities for treatment and for the advanced training of doctors, nurses, medical technicians and senior medical students. Scheduled for completion in September 1958, the new Centre represents a joint project of UNKRA, the Governments of Denmark, Norway and Sweden, and the Republic of Korea Government. The Agency has allocated \$4.4 million to construct and equip the Centre, while the three Scandinavian Governments plan to provide an additional \$7.5 million—\$1.5 million each year during a five-year period—to finance the services of a Scandinavian technical assistance staff of about eighty persons and for further supplies, etc.

87. Including a new seven-storey, 465-bed ward building, quarters for doctors and graduate and student nurses, clinical, operative and laboratory facilities, classrooms and administrative and service units, the Centre will furnish the Republic with the means to achieve valuable improvements and advancements in medical treatment and practice.

NATIONAL REHABILITATION CENTRE

88. The war in Korea left behind it many physically disabled persons, both civilians and veterans. Among the first projects undertaken by the Agency was the establishment, started in 1953, of a modern, full-equipped centre possessing adequate facilities to enable those handicapped persons, and others who suffer from crippling conditions, to regain physical and economic independence, and thus re-establish themselves as useful members of society. Thereto, a former veterans' institution at Tongnae, Kyongsang Namdo was reconstructed, new buildings were added and prosthetic manufacture and vocational training equipment and materials were furnished. Most important, the technical assistance—specialists in physical medicine, physical therapy, re-

medial gymnastics, prosthetics and vocational training—essential for the centre's successful development, was provided. The project was completed in 1957, except for the technical assistance, which, at the request of the Republic of Korea Government, the Agency will continue, through the services of a vocational training specialist and a remedial gymnast, into the financial year 1958-1959. The centre, which was fully established at an over-all cost of \$647,000, including technical assistance, is now handling 300 adult trainees at one time. Additionally, it includes a special children's ward that has a further capacity of thirty-four handicapped children, the equipment for which was provided with funds donated by volunteers of the United Nations Women's Guild.

NATIONAL VACCINE AND CHEMICAL LABORATORIES

89. Included also in the Agency's programme was the rehabilitation of the National Vaccine Laboratory, an institution highly important to the Republic of Korea as the nation's producer of smallpox, typhoid, BCG and other vaccines, anti-sera and diagnostic biologicals. Some \$110,000 worth of laboratory equipment and supplies was furnished during 1955 and 1956 to replace the losses which occurred in the invasion, while another \$130,000 worth of construction materials was imported for building restoration and repair. Relative to the latter, however, a decision was made by the Government to relocate the Laboratory to allow for future expansion, which was no longer possible at the original site and only limited, essential rehabilitation work was carried out. In July 1957, the new location was designated, and the Agency made available an additional, approximately \$70,000 worth of construction materials and supplies. Construction of a first group of buildings, which will require about 60 per cent of the Agency-supplied materials, began in December 1957 and had reached 83 per cent completion at 30 June 1958. Work on other structures and facilities which have been allocated the remaining 40 per cent of the materials is expected to commence shortly, and, depending on the availability of local funds, all construction can be concluded by the end of December 1958. The Agency has also provided assistance to help the Laboratory improve standards by sending five members of its staff abroad, three of them during the reporting period, to learn the newer techniques and modern methods of production for vaccines, antitoxins, etc.

90. UNKRA-furnished laboratory, technical and research equipment valued at more than \$120,000, most of which arrived during 1956, has likewise restored the operations of the National Chemical Laboratory, which serves Korea both as the national food and drug agency, and at the same time carries out a programme of training for technicians to work in public and private industrial laboratories. Additionally, rehabilitation of the electrical, heating, drainage and disposal systems, as well as some repairs to the Laboratory's main building, were accomplished. Overseas training for six members of the staff of this Laboratory has been provided, affording them the opportunity to study modern techniques of food analysis, the analysis of medical preparations, antibiotics and cosmetics, as well as food sanitation and nutrition.

ASSISTANCE TO ORPHANS AND WIDOWS

91. Agency assistance totalling \$422,500 was furnished through the Ministry of Health and Social Af-

fairs towards the care of the many orphans and widows with dependent children left by the war. These funds were used principally to provide permanent-type facilities, resulting in the expansion or construction of sixty-nine child welfare institutions located in all parts of the country, including fifty-four orphanages, a number of receiving homes in Pusan, Seoul and Taejon, a national children's home and ten hostels to care for older orphans in the larger cities. A National Social Workers Training Institute also was established in Seoul, the first of its kind in Korea. This centre now regularly provides intensive, specialized training courses for staff members from orphanages and other social welfare institutions located throughout South Korea. Additionally, eleven widows' work-shops equipped with a total of 110 sewing and thirty-three hand-knitting machines were established, and 419 sewing and 477 hand-knitting machines were also furnished to other existing widows' centres. These projects, completed except for finish-up work now under way on two child welfare institutions, have provided accommodation for some 2,000 to 3,000 orphaned children, and self-support work opportunities for an estimated 3,000 widows with more than 5,000 other children.

Essential materials imports

92. Additional salable commodities valued at \$2.1 million arrived during the reporting period, raising to more than \$35 million the total of grains, fertilizers and raw and semi-processed materials provided to the Korean economy by the UNKRA programme since 1953. These imports, which form an integral part of the programme, have achieved three main aims. They have: (1) provided the approximate local currency funds required to finance the Agency's investment projects; (2) served to withdraw excess currency from circulation as a counter to the inflationary pressures which have beset the Korean economy since 1950; and (3) met part of the economy's requirements for raw, semi-processed and other materials, such as raw wool and wool tops, rayon and worsted yarn, automobile tires and tubes, raw rubber, paper and pulp, and construction materials.

Special projects

93. A number of special projects which were not encompassed within the area programmes have also been carried out during the course of the Agency's operations. Established to meet specific objectives or purposes, they also represent positive contributions toward Korea's economic reconstruction. The more important of these projects included the educational and health planning surveys conducted by UNKRA/United Nations specialized agency teams during 1952-1953 and a similar, comprehensive economic survey conducted for the Agency by a firm of United States economists, upon which the Agency's programme was largely based. Technical assistance furnished through a special project to the Republic of Korea Ministry of Reconstruction led to that Ministry's establishment of a statistical reporting system. Motion picture camera, sound and other equipment were provided to the Government information service, and a sound stage and movie studio was constructed, thus improving facilities for the making of documentary, educational and information-type films. A hydroponics unit was established for use by the College of Agriculture of Seoul National University and the Central Agricultural Experimental Station, and a

special teacher-training library was provided for an educational institution in Seoul. Another special project made funds available to cover the shipping costs to Korea of various donations to the United Nations Emergency Relief Fund Programme, while in June 1958, through a special project, the Agency imported a portable suction dredge to test its flood-control and land-reclamation value in Korea. Under a special project also, technical assistance requested by the Republic of Korea Government is now being furnished to certain of the Government offices.

Technical assistance

94. UNKRA-provided technical assistance continued throughout the reporting period to play a valuable, although gradually reduced role. Specialists' teams guided the operations of the Mungyong Cement and Inchon Flat Glass Plants, and technical help was furnished to paper plants, the new flax, hemp and ramie plant, and the Changhang smelter and refinery. Technical assistance was provided likewise for the operation of the Taechon-ni gold placer dredge, a fisheries expert afforded assistance to the two new fish canneries, and during most of the year extensive field assistance continued to the mines of the Dai Han Coal Corporation. UNKRA technical aid helped to complete during the period the establishment of the vocational training centres and the installation of cotton textile equipment, and aided in the operations of the woollen dyeing and finishing plant and the worsted spinning mill. UNKRA specialists also were stationed at the Rehabilitation Centre for the Physically Handicapped at Tongnae and assistance to the Taegu Teaching Hospital continued until the end of the period.

95. The total value of programmed technical assistance provided since the inception of Agency operations amounts to over \$15 million. Covering all fields, it has included a variety of activities such as an engineering study to determine the location of a new cement plant, a detailed survey of educational conditions, or specialist assistance to a particular factory or mine, or towards the development of a vocational training facility, and many others.

96. The Agency's largest single technical assistance undertaking, with total expenditures amounting to \$5.6 million over a five and one-half year period, was the provision of a corps of qualified technical experts, at the request of the United Nations Command, to help carry out the health, welfare, relief and other programmes of the United Nations Civil Assistance Command, Korea (UNCACK), and its successor organization, the Korea Civil Assistance Command (KCAC). This project, which had great significance to the general wellbeing and health of the Korean people, began in January 1952 when UNKRA experts assumed many of the major responsibilities for those programmes. UNKRA-furnished doctors, welfare officers, sanitarians and nurses served on provincial field teams where they were charged with implementing a welfare and relief programme that cared for hundreds of thousands of refugees and displaced persons. They supervised and aided in the establishment of resettlement projects and the allocation and distribution of United Nations relief supplies, and they directed and carried out mass immunizations of the populace against smallpox, cholera,

typhus and typhoid. At UNCACK (KCAC) headquarters, the staff provided by UNKRA formed a responsible cadre of trained individuals through whom continuity was given during several years to both programming and operations. They included not only doctors, nurses, welfare officers and sanitarians, but also engineers, and specialists in industry, mining, marine and rail transportation, fisheries, agriculture and irrigation. Others handled supply operations, and as port officers stationed at all of South Korea's major ports, they supervised the receipt, storage and shipment of large quantities of relief goods and reconstruction equipment and supplies, as well.

97. Much unprogrammed assistance has also been furnished during these years by the UNKRA operational staff—the technicians in mining, education, industry, supply, the Agency's consultant engineers and various other specialists—and by the Agency's administrative staff who gave training and expert guidance to many local staff employees in fields such as office procedure and management, finance, motor maintenance and repair, etc. This form of assistance is not recorded. It has, nevertheless, added a considerable further material value to the United Nations aid programme in Korea.

Assistance to voluntary agency projects

98. Included as an important part of the over-all UNKRA programme was the provision of financial assistance to worthy projects sponsored in Korea by the international voluntary agencies. That assistance, in the form of 200 grants-in-aid valued at \$981,560 for projects located at 156 separate sites throughout South Korea, resulted in the addition of many valuable, permanent facilities to the Republic's health, welfare and educational establishment. Typical are a tuberculosis hospital for children, a vocational training shop for the blind, a boys' town and new housing for lepers. Additionally, the Agency made further grants amounting to \$408,220 that provided supplementary assistance to the voluntary agencies in shipping from abroad the supplies and equipment needed to carry out these and other projects included in their Korea programmes. The grand total of \$1,389,780 thus furnished has resulted in a worth-while expansion of many humanitarian facilities which care for and meet individual needs that a large reconstruction programme is likely to overlook. The sum invested has already paid, and will continue to pay, dividends in human values far into the future.

Chapter II

CURRENT ECONOMIC SITUATION IN KOREA

99. A further, gratifying advance was made by the Republic of Korea's economy during the financial year ended 30 June 1958, continuing the general improvement which was reported in the preceding period. New gains were registered in industrial and mining production and in electric power generation, including the largest output of both coal and cement in the Republic's history, and average electric power generation that reached an all-time high. Relative stability of prices prevailed for the first time since 1950, despite a rise in the money supply, while wage movements generally remained quite moderate. The Seoul consumer price index actually registered a decline for the year, the first, other than seasonal, since the end of the Second World War.

100. Increased production of food resulting from the bumper rice crop of the fall of 1957, a bumper harvest of summer grains in May-June 1958 and the largest fish catch since 1950 added further to an improved economic picture, as did the start of operations by a number of important new industrial facilities. Encouraging also was a steady rise in savings deposits, an indication of a greater measure of confidence in the state of the nation's economy. At the same time there was increased evidence of growing public confidence in the quality and adequacy of domestically produced goods.

101. The Republic of Korea Government during this past year, likewise, continued forceful and determined efforts to implement the financial stabilization programme which it had jointly undertaken with the United Nations Combined Economic Board, beginning in 1957. The stability of prices during the reporting period was, in part, a measure of the success achieved.

102. Among these most hopeful signs, however, a very sobering fact also stood out. That was the nation's unfavourable balance-of-payments position, which for the calendar year 1957 showed a deficit of \$388.1 million

dollars. The net value of imported commodities alone amounted to \$388.3 million, of which \$347.1 million represented foreign aid donations. By comparison, Korea's visible exports during the same period were valued at a net of \$20.2 million. Implicit in this tremendous gap was the dependence of the economy upon foreign aid: to supply the raw materials needed by its factories, the fertilizers for its farms, the petroleum products for transport and general use, as well as the machinery for continued industrial and mining expansion and development.

103. Korea's domestic picture has improved. There are more consumer goods, electric power and fuel. Health and educational facilities have increased. Completed irrigation works have raised food production and reforestation has made the nation's hillsides greener. But South Korea's economy, recently called upon to absorb many millions of escapees from the north, burdened with the necessity to maintain large defensive forces, and striving at the same time to build and industrialize, is still far from achieving economic viability.

Prices and wages⁶

104. The constant rise in retail prices which characterized the South Korean economy from 1945 through June 1957 was reversed during the twelve months ended June 1958 as the Seoul Consumer Price Index general index⁷ registered a decline of 4.4 per cent for the period.

⁶ The statistics presented in the following sections of this chapter are based on Government of Korea sources.

⁷ The Seoul Consumer Price Index was newly initiated in January 1958 by the Bank of Korea. At the same time, the national urban retail price index and Seoul retail price index formerly compiled by that Bank were discontinued. The new index established the calendar year 1955 as the base year, that year being considered as the first post-war year in which a semblance of normalcy was evident in the Korean economy. The old indexes were based on the calendar year 1946.

This decrease compared with rises of 23.4 per cent and 22.8 per cent during the two preceding twelve-month periods. The consumer food index decreased by 7.7 per cent, against a rise of 18.8 per cent during the previous year, clothing dropped by 8.4 per cent, compared with an increase of 16.7 per cent, and fuel and light declined by 2.7 per cent, compared with an increase of 21.2 per cent. The consumer housing index (principal component rent) showed only a slight increase of 0.9 per cent, against a rise of 38.7 per cent between June 1956 and June 1957, reflecting some easing of the housing situation in the Seoul area, while the miscellaneous category index rose 3.9 per cent, compared with 33.9 per cent. The actual retail price of rice in Seoul declined during the same period by 25.6 per cent, compared with rises of 18.1 per cent and 52.1 per cent in the years ended 30 June 1957 and 30 June 1956.

105. The Seoul all-commodity wholesale price index number (1947=100) similarly showed a drop, declining by 11.6 per cent, compared with a rise of 17.1 per cent in the previous year and 42.8 per cent in the year ended 30 June 1956. The index number of wholesale grain prices declined by a substantial 23.9 per cent, against a 15.6 per cent rise in the twelve months ended 30 June 1957. Building materials were down 6.3 per cent on greater availability and a moderate decline in construction, compared with the preceding year's rise of 11.6 per cent. However, small increases were reported for meats, eggs, and fish (3.2 per cent), textile raw materials (0.7 per cent), textiles (3.4 per cent), while fuel rose by a moderate 6.1 per cent.

106. A principal factor in the decline of consumer and wholesale indexes was the relatively low price commanded during the period by the grains. A bumper rice crop was harvested in the fall of 1957. At the same time, staple food imports continued in large quantity (mainly under the aid programmes) and grain prices remained relatively constant from November 1957 until April 1958. While moderate advances were registered between April and June, they failed to recover fully during the usually food-scarce spring period from the seasonal decline which occurred at the time of the 1957 rice harvest. At 30 June 1958, grain prices were still well below the level of the previous year being influenced further by an excellent summer 1958 grain crop.

107. The average monthly earnings of all regular employees in the manufacturing industries increased by 5 per cent during the twelve months ended 31 May 1958. Male productive workers, who comprise 44.8 per cent of all regular employees in manufacturing, registered a gain in average monthly earnings of 5 per cent, while the average earnings of female productive workers (44.1 per cent of total regular employees) increased by 4.2 per cent. At the same time, average monthly earnings of male administrative, clerical and technical workers (10.2 per cent of total regular employees) increased by 7.7 per cent.

108. Earnings rose in most industries, the largest being a 45.7 per cent increase in average monthly earnings in paper and paper products manufacture, which, however, includes only 1.9 per cent of total regular employees in manufacturing. Among those industries with somewhat larger numbers of employees, average monthly earnings increased in: wood and cork products, 23.2 per cent; rubber products, 19.2 per cent; transport equipment, 17 per cent; food, 12.8 per cent; beverage, 7.5 per cent; and chemical and chemical products, 4.5

per cent. However, average monthly earnings in South Korea's largest industry, textiles, which includes 41.4 per cent of all regular employees in manufacturing, showed no change from May 1957 to May 1958. Five industries showed declines in average monthly earnings: metal products, 8.9 per cent; printing and publishing, 5.6 per cent; basic metals, 4.6 per cent; footwear and other wearing apparel, 2.3 per cent; and glass, clay and stone products, 2.2 per cent.

109. Between May 1957 and May 1958 over-all average monthly earnings of regular employees in mining increased by 17.2 per cent. In coal mining (44.6 per cent of all regular mining employees) the average rose by 8.5 per cent and in metal mining (46.8 per cent of total employees) by 31.9 per cent. However, in the non-metal mining field, which takes in 8.3 per cent of total regular mining employees, there was a drop of 14.6 per cent.

110. The average daily wage of labourers in the building trades in ten principal cities of South Korea declined by 2.9 per cent from May 1957 to May 1958. In Seoul, which encompassed approximately 50 per cent of the total floor space for which building construction permits were issued during the period, the decline amounted to 1.9 per cent.

Agriculture

111. Total staple food production in the Republic of Korea in the crop year 1957-1958 amounted to 4,144,255 metric tons, an increase of 655,760 metric tons, or 18.8 per cent, over the crop year 1956-1957. Good weather conditions and sufficient fertilizer resulted in a bumper rice crop totalling 2,421,230 metric tons. This was 454,930 metric tons, or 23.1 per cent, greater than the previous year's harvest of 1,966,300 metric tons, which had been adversely affected by unseasonably cold weather, and compared favourably with the 1955-1956 production of 2,386,940 metric tons. The area planted to rice in 1957 totalled 1,107,650 hectares, a slight increase over the 1,099,700 hectares planted in 1956. Production of the miscellaneous fall grains (millet, corn, oats and buckwheat), amounting to 82,430 metric tons, was almost the same as the previous year's harvest of 83,565 metric tons. The area planted to these crops declined slightly from the 1956 total of 216,760 hectares to 213,780 hectares in 1957. The pulses registered no change, output for 1957 being 172,820 metric tons, against 172,810 in 1956, although planted area increased by 2.9 per cent, from 310,225 hectares in 1956 to 319,180 hectares in 1957. On the other hand, production of white potatoes rose by 28.3 per cent, being 348,880 metric tons compared with 271,895 metric tons in 1956. The planted area in 1957 totalled 57,675 hectares, representing an increase of 18.6 per cent over the 48,620 hectares planted in 1956. The sweet potato crop declined by 3.5 per cent from 364,140 metric tons in 1956 to 351,540 metric tons in 1957, while the area planted remained approximately the same, being slightly more than 46,000 hectares in each year.

112. The summer grains (barley, naked barley, wheat and rye) production estimate for 1958 made in early June 1958 at the harvest period indicated a bumper crop of 767,355 metric tons. This was an increase of 137,570 metric tons, or 21.8 per cent, over the 1957 harvest of 629,785 metric tons which had been seriously affected by an unusually cold winter during 1956-1957 and a shortage of rainfall in the spring of 1957. It compared very favourably with the 703,000 metric tons produced

in 1956. At the same time, the 938,660 hectares planted to the summer grains was less than during either 1956-1957 or 1955-1956 when it amounted to 998,245 hectares and 951,580 hectares, respectively.

113. Domestic production of staple foods is now regularly augmented by imports of grains and pulses, provided very largely through the United States aid programme and under the provisions of the United States surplus agricultural commodities law. During the crop year 1 November 1956 to 31 October 1957, these imports totalled 951,178 metric tons, equal to 27.3 per cent of total domestic staple food production that year. Imports from the start of the present crop year, 1 November 1957 to 30 June 1958, amounted to slightly more than 500,000 metric tons.

114. Chemical fertilizers have a highly important bearing on agricultural production in South Korea. During the fertilizer year 1 August 1956 to 31 July 1957, slightly more than 700,000 metric tons were imported, provided almost entirely by the United States bilateral aid programme. From 1 August 1957 to 30 June 1958 approximately 710,000 metric tons arrived. Construction of a fertilizer plant to produce 85,000 metric tons of urea fertilizer annually (40,000 metric tons contained nitrogen) is now under way at Chungju, Chungchong Pukdo, as part of the United States aid programme. During the reporting period, the Government also contracted with a West German firm for the construction of another plant of the same capacity at Naju, Cholla Namdo.

Forestry

115. The forestry situation in South Korea showed general improvement during the period. Efforts of the past several years to develop fast-growing stands around the villages suitable for the cutting for firewood and charcoal began to show results, and many rural communities met their full requirements from those sources. This had further beneficial effects in the form of reduced erosion, a more abundant supply of water and a lessening in the cutting of young timber stands for fuel purposes, although lopping of young trees and raking of forest floor litter continued in most areas—and will continue until village fuel needs are otherwise met. The rapid disappearance of saw timber stands continued during the period. In this connexion, the United States aid programme imported a further \$3 million worth of veneer and saw logs which met all veneer requirements and satisfied part of the demand for saw logs.

116. Close to 424 million seedlings were planted in the spring of 1958, an increase of 96 million over 1957 plantings. Of these, 361 million were used for general reforestation, 8.6 million were planted in the national forests and some 55 million were used for erosion control purposes. By far the largest number consisted of acacia, poplar, alder, oak and pitch and black pine comprising the "fuel-wood and charcoal" group which were planted mainly in village areas. Most encouraging was an increased participation of village forestry associations in seedling plantings around their own communities, some 6,000 out of a total of 21,240 such associations in South Korea taking part in the spring of 1958, compared with the approximate 3,000 associations which participated in the 1957 spring tree-planting campaign.

Fisheries

117. Further improvement was registered in fish and marine production during the calendar year 1957, a

total of 403,157 metric tons being landed, as compared with 340,916 metric tons in 1956. This represented an increase of 14.4 per cent during the twelve months. Landings were greater in all divisions, including fresh fish, shell fish, seaweeds and miscellaneous marine products. The catch of 279,768 metric tons of fresh fish was the highest since the start of the Korean war and an increase of 8.6 per cent over the previous twelve months' high. Important factors contributing to greater production were substantial purchases of canned fish for the Republic of Korea armed forces and a continued export demand. By absorbing a goodly share of the fish catch, this also helped to maintain a profitable level for sales to the economy, which, in turn, encouraged steadier production.

118. During the period January-April 1958, fish and marine products landed amounted to 87,644 metric tons, which was somewhat more than the 85,290 metric tons landed during the first four months of 1957. Two UNKRA-built fish canneries started operation during the first half of the calendar year 1958. Their combined annual capacity of 300,000 cases increased the total capacity of the industry by approximately 50 per cent.

Manufacturing

119. Manufacturing production in the Republic of Korea increased by a further 20.1 per cent during the twelve months ended 31 May 1958, following a 25.2 per cent rise in the year ended 31 May 1957, according to the industrial production index initiated during the reporting period by the Bank of Korea.⁸ Further expansion of industrial plant, the continued inflow of raw and semi-processed materials and generally increased availability of electric power contributed to the gain.

120. Textile production, except for staple fibre cloth output which was affected by raw materials shortage, rose generally, abetted by large imports of raw cotton, rayon and worsted yarns, and wool tops through the United States aid programme, as well as imports made with Republic of Korea foreign exchange. Cement production increased sharply as the UNKRA-built Mung-yong Cement Plant started operation, while salt, produced almost entirely by solar evaporation, was up substantially as the result of favourable weather conditions and some further increase in saltern area. Moderate increases also occurred in paper, tobacco products and soap manufacture. The production of flat glass was begun during the year, for the first time in South Korea, with the completion of the Incheon Flat Glass Plant under the UNKRA aid programme. The production of light bulbs, transformers and bare copper wire showed a decrease, which was related in part to a moderate decline in building construction, as was also the decrease in paint production. The output of rubber shoes dropped following a period of over-production during the previous year, the changing demand in the larger cities for other types of shoes being a contributing factor. Manufacture of bicycles was down on decreased demand, while pottery and porcelain production again dropped continuing a trend since 1955 that is connected,

⁸ The cited BOK Industrial Production Index (Preliminary) established the calendar year 1955 as its base year, that year being considered as the first post-war year in which some semblance of normalcy was attained by the Republic of Korea economy. Manufacturing production index numbers for the calendar years 1955, 1956 and 1957 are respectively 100, 119 and 156. For the twelve-month periods ended 31 May 1956, 1957 and 1958 they are 107, 134 and 161.

to some extent, with a gradually decreasing demand as households complete replacement of items destroyed during the war.

121. The following table records production figures for certain key items for the years ended 31 May 1957 and 31 May 1958.

MANUFACTURING PRODUCTION—SELECTED INDUSTRIES

	Year ended 31 May 1957	Year ended 31 May 1958	Percentage change
Cotton yarn (thousands of pounds).....	77,597	91,694	+18.2
Cotton cloth (thousands of yards).....	167,357	199,209	+19.0
Rayon cloth (thousands of yards).....	48,748	59,883	+22.8
Staple fibre cloth (thousands of yards).....	31,214	30,983	- 7.4
Woollen and worsted cloth (thousands of yards).....	4,256	5,087	+19.5
Worsted yarn (thousands of pounds).....	2,680	3,758	+40.2
Rubber shoes (thousands of pairs).....	28,151	23,329	-17.1
Cement (metric tons).....	51,961	171,377	+299.8
Flat glass (thousands of square feet).....	0	5,213	+100.0
Paint (metric tons).....	4,242 ^a	3,318	-21.8
Light bulbs (thousands).....	3,478	2,961	-14.9
Transformers (5-300 kilovolt-amperes).....	1,421	704	-50.5
Copper wire, bare (metric tons).....	2,294	2,032	-11.4
Batteries, dry cell (thousands).....	2,924	3,225	+10.3
Bicycles.....	24,576	20,559	-16.3
Paper (metric tons).....	26,318	27,603	+4.9
Tobacco products (metric tons).....	18,162	19,446	+7.1
Salt (metric tons).....	242,753 ^a	358,021	+47.5
Soap (metric tons).....	23,695 ^a	23,804	+4.6
Pottery and porcelain (thousands of pieces).....	31,155	26,040	-16.4

^aAdjusted from previously reported total.

Mining

122. Further general improvement was registered in both anthracite coal and mineral production during the twelve months ended May 1958. Average monthly coal output increased to 219,673 metric tons, a rise of 34.7 per cent over the monthly average of 163,085 metric tons for the year ended May 1957. The total of 2,441,200 metric tons mined in the calendar year 1957 was the highest in the history of the Republic of Korea. Further credit for the increase was due the UNKRA aid programme, which has supplied the equipment needed to boost output. The 1957 production total represented a rise of more than 180 per cent from the 866,700 metric tons mined in 1953 at the start of that programme.

123. Production of both gold and silver showed sizable gains. The output of other minerals also increased generally, influenced mainly by export demands.

Iron ore, molybdenite and amorphous graphite all registered substantial increases. Kaolin and talc likewise made excellent gains, and there was a moderate increase in the output of tungsten concentrates. Part of the increase in talc production resulted from the starting up of a modern new talc grinding mill at Chungju, Chungchong Namdo, provided through the UNKRA programme. Small declines occurred in the output of copper ore, lead ore and fluorite which were related to export demand, and the large drop in pyrophyllite production was similarly related. The substantial decline recorded in manganese production was due in part to the same reason; however, it was also associated with the gradual exhaustion of presently known ore reserves.

124. Production records for anthracite coal and certain principal minerals during the twelve-month periods ended 31 May 1957 and 31 May 1958 are given in the following table.

COAL AND MINERAL PRODUCTION
(In metric tons unless otherwise specified)

	Year ended 31 May 1957	Year ended 31 May 1958	Percentage change
Anthracite.....	1,957,041 ^a	2,636,078	+34.7
Gold.....	1,654 kg ^a	2,157 kg	+30.4
Silver.....	6,438 kg	8,145 kg	+26.5
Amorphous graphite (80-85 per cent).....	87,104 ^a	152,341	+74.9
Molybdenite (80-90 per cent).....	26,963 kg	57,786 kg	+114.3
Manganese (30-48 per cent).....	3,402 ^a	699	-80.3
Lead ore (35-60 per cent).....	2,432	2,285	-6.0
Iron ore (45-65 per cent).....	105,905	240,844	+127.4
Fluorite (70-90 per cent).....	3,952	3,472	-12.1
Tungsten concentrates (64-80 per cent).....	3,437	4,030	+17.3
Copper ore (4-20 per cent).....	10,659	10,260	-3.7
Kaolin.....	8,596	13,088	+52.3
Talc.....	6,631 ^a	9,297	+40.2
Pyrophyllite (Pagodite).....	8,551	2,602	-69.6

^aAdjusted from previously reported total.

Power

125. Total power generation showed a moderate rise during the twelve months ended 31 May 1958. Installation of a third 27,000 kW capacity unit at the Hwachon hydro-plant was completed in November 1957. With the completion, also during the early part of the period, of repairs to the Hwachon dam and with good water conditions prevailing generally there was an increase in over-all South Korean hydro-generation. Thermal generation also was up on increased output during the year by the four new 25,000 kW-unit steam plants added to the

South Korean power system in 1956-1957 through the United States aid programme. However, power requirements also continued to increase and power for lighting was restricted during the evening peak demand period.

126. The combined average generation of all hydro and thermal plants during January-May 1958 ranged between 163,000 kW and 179,000 kW, compared with 141,300 to 158,000 kW during the corresponding five months of 1957. The average peak load for the same periods was 233,200 kW to 245,900 kW and 198,400 kW to 200,100 kW, respectively.

ELECTRIC POWER GENERATION AND CONSUMPTION
(Millions of kilowatt hours)

	Year ended 31 May 1957	Year ended 31 May 1958	Percentage change
Power generated:			
Thermal.....	831.6	887.0	+6.7
Hydroelectric.....	434.5	511.1	+17.6
TOTAL.....	1,266.1	1,398.1	+10.4
Power consumed:			
Power company uses and losses.....	523.5	558.1	+6.6
Sales.....	742.6	840.0	+13.1

Transportation

127. A monthly average of 218.6 million ton/kilometres of freight was moved by the Korean National Railways during the period 1 May 1957 to 30 April 1958. This was an increase of 25.1 million ton/kilometres per month, or 13 per cent, over a monthly average of 193.5 million ton/kilometres for the corresponding twelve months ended 30 April 1957. Civilian freight movement averaged 128.2 million ton/kilometres per month, against 108.3 million ton/kilometres, an increase of 18.4 per cent, while the monthly average of aid goods shipments rose by 7.4 per cent, being 27.7 million ton/kilometres compared with 25.7 million ton/kilometres.

128. Over-all passenger/kilometres travelled suffered a decline of 5.5 per cent during the year ended 30 April 1958, the monthly average running at 301 million, against 318.6 million per month in the previous year. Civilian passenger traffic decreased by 5.9 per cent to an average of 225 million passenger/kilometres per month, compared with a monthly average of 239.1 million passenger/kilometres, while passenger/kilometres travelled by military personnel declined by 4.4 per cent.

129. Dieselization of the Korean National Railways, which had been initiated through the United States aid programme during the preceding financial year 1956-1957, continued with the arrival of thirty-nine more diesel locomotives. At the same time, seventy-two coal-burning locomotives were converted to oil. Diesel and oil burning locomotives are now being used on the main and eastern Seoul-Pusan lines, as well as on the shorter Seoul-Inchon and Seoul-Chunchon lines. The use of diesel locomotives resulted in fewer delays in rail movements, and was particularly significant during the winter months in the shipping of coal from the mountainous Samchok region to the industrial centers.

Money supply

130. The Republic of Korea's money supply increased by *hwan* 29,853 million, or 25 per cent, during the twelve months ended 30 June 1958 the total money supply at that date amounting to *hwan* 149,141 million.

The increase compared with a rise of *hwan* 20,277 million, or 20.5 per cent, in the year ended 30 June 1957. Currency in circulation (comprising all bank notes excepting those held by banking institutions) increased from *hwan* 61,191 million at 30 June 1957 to *hwan* 72,931 million at 30 June 1958. Major increases took place between October and December 1957 and were related to an expansion of commercial bank and Korean Reconstruction Bank loans, reaching a peak of *hwan* 86,048 million in December. The subsequent contraction to the 30 June 1958 total resulted mainly from large sales of United States aid programme dollars to private traders, as well as sales of United States surplus agricultural commodities. Demand deposits likewise rose during the twelve months, from a total of *hwan* 58,097 million at 30 June 1957 to a total of *hwan* 76,210 million at 30 June 1958.

131. The principal contributing factors to the rise in the money supply were: a large increase in commercial bank loans, acquisition of *hwan* 12,890 million of National Reconstruction Bonds by the Bank of Korea (the proceeds from which are used by the Government to finance loans by the Korean Reconstruction Bank), further acquisitions by the Bank of Korea of industrial debentures of the Korean Reconstruction Bank, and Bank of Korea purchases of foreign exchange (mainly from the United Nations Command which sells dollars to the Bank to obtain local currency funds for its house-keeping operations).

132. The major factor in the decrease of the money supply was a net favourable reduction in the differential between Republic of Korea Government overdrafts and deposits at the Bank of Korea. Largely responsible, therefore, were substantial transfers of counterpart funds made to the Government by the United States aid programme, and the transfer to the Government of proceeds from sales under the United States agricultural surplus commodities programme. Other factors contributing to the decrease were the net increase which occurred in savings and time deposits, and a rise in *hwan* deposits by foreign official organizations, including the United Nations Command, UNKRA, and the diplomatic missions.

Increasing factors:

Increase in national bond holdings of the Bank of Korea and commercial banks.....	+13,304
Increase in industrial debentures held by the Bank of Korea.....	+ 4,000
Increase in commercial bank and Bank of Korea loans.....	+31,465
Increase in Bank of Korea purchases of foreign exchange.....	+ 7,351
	<u>+56,120</u>

Decreasing factors:

Government overdrafts, less Government deposits at the Bank of Korea.....	-11,292
Increase in savings and time deposits.....	- 4,722
Increase in deposits of foreign official organizations....	- 6,332
Others.....	- 3,921
	<u>-26,267</u>

Net increase in the money supply: *hwan* 29,853 million

Bank credit

133. A central bank (Bank of Korea), four commercial banks and an Agricultural Bank providing short-term agricultural credit⁹ constitute the banking system of the Republic of Korea. Commercial credit is principally controlled through a monetary board which establishes quarterly over-all ceilings for loans. Sub-ceilings are further set for public and private loans and by economic sectors. The commercial banks are permitted, however, to exceed the allocated loan ceilings up to any net increase in time deposits.

134. As at 31 May 1958, the total outstanding loans of all banking institutions, including Bank of Korea rediscounts but excluding Government overdrafts, was *hwan* 149,398 million. This represented a rise of *hwan* 49,169 million, or 49.1 per cent, over total loans of *hwan* 100,229 million at 31 May 1957 and compared with an increase of *hwan* 25,800 million, or 34.7 per cent, which occurred during the twelve months 1 June 1956 to 31 May 1957. The combined total of the loans and discounts of the four commercial banks and the Agricultural Bank, amounting to *hwan* 111,533 million at 31 May 1958, showed an increase of *hwan* 37,715 million, or 51 per cent. Commercial bank loans and discounts rose by *hwan* 11,177 million, or 20.9 per cent, while Agricultural Bank loans and discounts rose *hwan* 26,539 million, or 129.9 per cent. The sharp increase in loans by the latter bank was related to Government efforts to provide additional credit to farmers for the purchase of fertilizers, and to loans on grain stored by farmers in Government warehouses.

135. Borrowings from the Bank of Korea by the four commercial banks totalled *hwan* 11,945 million at 31 May 1958 as against *hwan* 16,026 million at 31 May 1957, while Agricultural Bank borrowings stood at *hwan* 25,925 million compared with *hwan* 10,243 million at 31 May 1957. Commercial bank time deposits showed a steady increase during the twelve months, rising from *hwan* 6,595 million at 31 May 1957 to *hwan* 10,793 million at 31 May 1958. Time deposits of the Agricultural Bank showed little change during the twelve months being *hwan* 3,524 million at 31 May 1958 as against *hwan* 3,188 million at 31 May 1957. Minimum reserve requirements for demand deposits remained at 20 per cent throughout the twelve months ended 31 May 1958. At that date, commercial bank and Agricultural Bank reserves stood at 20.5 per cent.

⁹ The Agricultural Bank Act of 1956 which established the present Agricultural Bank also provided for the transfer to that Bank of all assets and liabilities of the long-term irrigation loans of the Korean Reconstruction Bank. According to an agreement between these two Banks the transfer is to be effected on 31 July 1958.

136. The principal source of long-term investment credit in the Republic of Korea, the Korean Reconstruction Bank, is treated as a Government agency. Its operating funds are provided almost entirely through Government-issued Industrial Reconstruction Bonds (all held by the central bank), from counterpart funds, and by the issue of industrial debentures, which are held in entirety by the central bank. Outstanding loans of the Korean Reconstruction Bank rose from *hwan* 68,484 million at 31 May 1957 to *hwan* 103,538 at 31 May 1958 representing an increase of *hwan* 35,054 million or 51.2 per cent. Loans to manufacturing enterprises increased by 44 per cent, agriculture, forestry and fisheries by 58.8 per cent, mining by 34.7 per cent and public utilities by 15.9 per cent.

OUTSTANDING LOANS AND DISCOUNTS OF ALL
COMMERCIAL BANKS AND THE AGRICULTURAL
BANK BY ECONOMIC SECTOR
(In millions of hwan)

Economic sector	May 1957	May 1958
Manufacturing.....	35,102	43,105
Agriculture, forestry and fisheries.....	18,374	47,774
Mining.....	486	1,147
Trade.....	9,548	7,511
Public utilities.....	892	521
Other.....	9,503	11,562
	<u>TOTAL 73,905</u>	<u>111,620</u>

OUTSTANDING LOANS OF THE KOREAN RECONSTRUCTION
BANK BY ECONOMIC SECTOR
(In millions of hwan)

Economic sector	May 1957	May 1958
Manufacturing.....	27,830	41,083
Agriculture, forestry and fisheries.....	18,777	29,823*
Mining.....	5,450	7,399
Trade.....	—	—
Public utilities.....	13,627	15,796
Other.....	2,800	9,497
	<u>TOTAL 68,484</u>	<u>103,538</u>

* Long-term irrigation loans representing more than 29 thousands million *hwan* will be transferred to the Agricultural Bank on 31 July 1958.
See also footnote⁹.

National budget

137. The national budget for the Republic of Korea financial year 1958, corresponding to the period 1 January to 31 December 1958, provides for total revenues of *hwan* 596.1 thousand million and expendi-

tures of *hwan* 629.6 thousand million, thus containing an indicated deficit of *hwan* 33.5 thousand million.¹⁰ However, certain scheduled repayments of borrowings, etc., provided for by the budget reduce the apparent effect of this indicated deficit upon the economy, the net increasing factor to the money supply contained therein amounting to *hwan* 12.5 thousand million. It compares with the financial year 1957 budget, for the period 1 January to 31 December 1957, which established revenues at *hwan* 561.5 thousand million and expenditures at *hwan* 638.7 thousand million. The indicated deficit of *hwan* 77.2 thousand million in that budget contained a net increasing factor to the money supply amounting to *hwan* 64.9 thousand million.

138. Estimated tax receipts are 11.4 per cent and customs receipts 25.3 per cent greater than provided in the financial year 1957 budget. At the same time, expenditures for the ordinary functions of Government are increased by 30.1 per cent. Special budgetary activities concerned with operations of the Government enterprises—national railway, communications, salt, tobacco and ginseng monopolies—the grain management and land reform programmes, vested properties, former imperial estates and postal savings and annuities provide for total revenues of *hwan* 233.1 thousand million, an increase of 23.7 per cent over the preceding year, and expenditures of *hwan* 229 thousand million, an increase of 8 per cent. The projected *hwan* 4.1 thousand million surplus in these operations contrasts with the indicated financial year 1957 deficit of *hwan* 23.8 thousand million.

139. Counterpart fund revenues are established at *hwan* 157.9 thousand million including proceeds amounting to *hwan* 27.2 thousand million from the sale of surplus agricultural commodities provided under United States Public Law 480, on the basis of estimated total foreign aid arrivals valued at \$277 million. This is *hwan* 36.4 thousand million, or 18.8 per cent, less than for the financial year 1957. Major counterpart fund expenditures include *hwan* 69.7 thousand million for public sector rehabilitation and development projects, which is 36.7 per cent less than the *hwan* 110.2 thousand million provided for the same purpose in the previous year's budget, *hwan* 31.7 thousand million allocated for private end-user projects, approximately the same as the total provided in the financial year 1957, and *hwan* 53 thousand million scheduled for transfer to the national defence special account, which represents an increase of 9.6 per cent over the amount transferred in the previous year. Slightly more than *hwan* 2 thousand million will also be used to cover part of the deficit in the operations of the Government Office of Supply.

140. National defence expenditures of *hwan* 124.2 thousand million are 8.8 per cent above the financial year 1957 budget total of *hwan* 114.1 thousand million. Financing is provided through *hwan* 71.2 thousand million from regular Government revenues, together with *hwan* 25.8 thousand million in United States aid programme counterpart funds and *hwan* 27.2 thousand million from the proceeds of the sale of commodities imported under United States Public Law 480.

¹⁰ At 30 June 1958 the Government had under preparation for submission to the national House of Representatives a revised budget for the financial year 1958. The principal features thereof were a projected substantial increase in Government expenditures resulting from a proposed pay raise for Government employees, and a projected large increase in tax revenues to result from a proposed tax on foreign exchange.

	<i>Revenues</i>	<i>Expenditures</i>
<i>General account:</i>		
Taxes.....	101.1	—
Customs.....	24.8	—
Miscellaneous.....	25.2	—
Government operations.....	—	129.4
	151.1	129.4
<i>Special accounts:</i>		
Defence.....	—	124.2
Government enterprises, grain management, vested property and land reform operations, etc.....	233.1	229.0
National bonds.....	18.0	4.3
Sale of currency to United Nations forces and others.....	14.5	14.5
Industrial reconstruction bonds.....	4.7	4.6
Counterpart fund.....	157.9 ^a	33.1
Economic rehabilitation expenditures.....	—	69.7
Office of Supply operations.....	16.8	20.8
	445.0	500.20
GRAND TOTAL	596.1	629.6

^a Total includes *hwan* 27.2 thousand million proceeds from the sale of United States surplus agricultural commodities.

Foreign trade

141. The Republic of Korea reported a favourable foreign trade balance for the calendar year 1957 amounting to \$16,131,400. That was \$11,921,100 greater than a favourable balance of \$4,210,300 recorded during the previous twelve months' period. At the same time, however, visible export receipts, which amounted to \$21,520,700 were down 14.4 per cent from the total of \$25,155,000 in 1956. Exports of fresh and dried fish, textile yarns and fabrics, iron ore and graphite rose substantially, but they were more than offset by large declines in receipts for laver, bristles, ginseng, raw silk and tungsten. Receipts for tungsten, which is Korea's largest foreign exchange earner, declined drastically owing to a further drop in the world market price, with receipts for the twelve months January-December 1957 totalling only \$4,517,800, compared with \$9,989,800 in the year ended 31 December 1956.

142. Invisible receipts, on the other hand, amounting to \$55,319,000, were 49.4 per cent above the \$37,027,000 reported for 1956. This was largely due to an increase in Government transactions, which rose from \$20,164,000 in 1956 to \$41,204,000 in 1957, owing to greater sales of *hwan* currency to the United Nations forces, as well as increased receipts from purchases by the United States offshore procurement programme.

143. Visible import payments, which totalled \$43,238,700 in 1956, rose in 1957 by 13 per cent to \$48,872,300. A large increase occurred in imports of foodstuffs, indicated by total payments of \$15,593,600, compared with \$6,073,900 in 1956. On the other hand, a substantial decline occurred in textile and fibre products import payments, from \$11,747,900 in 1956 to \$7,392,500 in 1957. Invisible payments amounted to \$11,836,000, or 19.7 per cent less than the 1956 total of \$14,733,000.

144. Visible export receipts of \$6.1 million during the five months January-May 1958 ran considerably lower than the 9.6 million total for the corresponding period in 1957, while visible imports of \$27.8 million represented a substantial increase over the \$18.8 reported in the first five months of 1957. However, invisible export receipts of \$28.6 million during January-May 1958 were well above the \$20.4 million reported for the same period

in 1957, resulting from a further increase in Government transactions. Payments totalled \$5.1 million, against \$5 million for January-May 1957.

145. The foreign trade receipts and payments position of the Republic of Korea for the periods January-December 1957 and January-May 1958 are presented in the following table.

FOREIGN TRADE RECEIPTS AND PAYMENTS, CURRENT ACCOUNT OF THE REPUBLIC OF KOREA
(In thousands of dollars)

	January—December 1957		January—May 1958	
	Exports	Imports	Exports	Imports
<i>Visible</i>				
Food, beverages and tobacco.....	2,571.7	15,593.6	1,347.0	3,014.3
Textile and fiber products.....	3,260.8	7,392.5	295.3	6,197.5
Animal and vegetable products.....	2,850.2	1,719.7	985.2	1,198.7
Petroleum, coal, lubricants and waxes.....	—	1,028.4	5.3	165.0
Minerals and metals.....	12,699.6	2,524.9	3,432.2	797.4
Machinery and transport equipment.....	—	9,369.3	—	9,683.9
Chemicals and pharmaceuticals.....	5.9	4,267.3	4.6	2,734.1
Lumber and paper products.....	41.3	2,646.1	—	2,113.3
Miscellaneous.....	91.2	4,330.5	51.8	1,911.4
TOTAL VISIBLE	21,520.7	48,872.3	6,121.4	27,815.6
<i>Invisible</i>				
Travel, transportation and insurance.....	1,372	1,842	299	1,559
Investment and income payments.....	2,515	581	1,228	47
Government transactions.....	41,204	3,987	21,169	1,421
Donations.....	9,631	4,015	5,196	1,211
Miscellaneous.....	597	1,411	708	903
TOTAL INVISIBLE	55,319	11,836	28,600	5,141
TOTAL VISIBLE AND INVISIBLE	76,839.7	60,708.3	34,721.4	32,956.6

Foreign exchange holdings

146. Foreign exchange holdings of the Republic of Korea at 30 June 1958 amounted to \$128,370,000, of which \$11,501,000 was in the form of loans. Of the total holdings, \$45,572,000 were reserved to cover an open

account balance with Japan, and a further \$4,786,000 were committed as guarantees for Government and private imports, leaving an unobligated balance of \$78,012,000 as of that date. Holdings consisted almost entirely of United States dollars.

Chapter III

ORGANIZATION, ADMINISTRATION AND EXTERNAL RELATIONS

United Nations Commission for the Unification and Rehabilitation of Korea

147. During the past year, the Agent General in compliance with the intent of General Assembly resolution 410 (V) of 1 December 1950 conferred at various times with the United Nations Commission for the Unification and Rehabilitation of Korea (UNCURK) and the Committee of UNCURK on matters of mutual interest related to the progress of the Agency's programme in Korea.

148. In its annual report to the General Assembly at its twelfth session¹¹ UNCURK referred to its continuing interest in the activities of UNKRA and the close relationships maintained with the Agency's staff. The report noted that members of the Commission had in-

spected numerous UNKRA projects, and declared that it was the Commission's opinion that UNKRA had contributed substantially to the recovery and reconstruction of the Republic of Korea. In UNCURK's view, the report stated, the Agency's operations had also provided further and valuable evidence of the possibilities of collective action through the United Nations in peacetime endeavours.

149. The Agent General and his staff have always welcomed the comments and suggestions which have been made by UNCURK during the UNKRA operation, as well as the assistance provided in solving various problems that have arisen within Korea with respect to the Agency's activities. UNCURK's full support of the Agency in carrying out the mission assigned by the General Assembly has been a constant source of satisfaction and encouragement to the Agent General and the UNKRA staff.

¹¹ Official Records of the General Assembly, Twelfth Session, Supplement No. 13, (A/3672).

Advisory Committee to the Agent General

150. The Agent General held six formal meetings with the UNKRA Advisory Committee during the financial year 1957-1958. The Committee, which is composed of representatives of Canada, India, the United Kingdom of Great Britain and Northern Ireland, the United States of America and Uruguay, was established by General Assembly resolution 410 (V) to advise the Agent General with respect to major financial, procurement, distribution and other economic problems related to UNKRA plans and operations.

151. In November 1957, following consultations with the Agent General, the Advisory Committee, with India abstaining,¹² commended to the twelfth session of the General Assembly a memorandum by the Agent General regarding arrangements for termination of the operational activities and the subsequent liquidation of the Agency's affairs. On 12 May 1958, the Committee approved the UNKRA plan of expenditure for the period of liquidation subsequent to 30 June 1958.

Administration

152. A substantial reduction in the UNKRA staff, both at its headquarters in Korea and at the Agency's American Regional Office in New York, was effected during the twelve months ended 30 June 1958. Most of the projects outstanding at the start of the period were carried to completion during the course of the year. This resulted in the termination of operational staff as completion occurred and, with the accompanying general decrease in administrative requirements, of much of the Agency's administrative personnel as well.

153. Staff were reduced at headquarters in Korea from a total of seventy-eight at the start of the period to twenty-one as of 30 June. The remaining personnel there, which will be gradually phased out during the financial year 1958-1959, is to commence liquidation activities starting 1 July 1958. They will also supervise, under the direction of an Administrator, the completion of the few remaining projects, and will carry out other residual activities related to the final full achievement of the assigned mission.

154. The Agency's American Regional Office personnel was reduced during the twelve months ended 30 June 1958 from twenty-seven to thirteen, and, effective 1 July 1958, that staff will be further decreased. The Office continued to have important duties related to programme-end and replacement procurement, as well as other matters connected with completion of the projects. Additionally, the principal accounts of the Agency are now managed from the Office to facilitate their closure as the programme approaches completion. In that connexion, also, the UNKRA Comptroller has maintained his headquarters there since February 1957. The American Regional Office, likewise, was called upon during the past year, and will continue to be called upon during the liquidation period, to carry out the function of liaison with the delegates of the Member States and the Secretary-General of the United Nations,

¹² The delegate of India explained that his abstention was not intended as criticism of the Agency's operations or the contents of the memorandum. Instead, his abstention was based on the Government of India's view that the operations of the Agency should not have been limited to any one part of Korea, but should have extended to the whole country.

as well as to assist the UNKRA Advisory Committee, etc.

155. Closure of the Agency's Tokyo liaison and procurement office, which is staffed by one international member only and a small complement of local employees, had been anticipated during the past year. However, it was found desirable and valuable in connexion with project-end procurement to continue that office throughout the period. In this same respect, its activities will be further extended for two months into the financial year 1958-1959.

156. In addition to the staff included in the Agency's regular personnel establishment, twenty-four different technicians and specialists were employed for varying periods in the year. In the financial year 1958-1959, eleven such personnel will also be engaged, for shorter or longer periods, to assist the Agency's liquidation staff in Korea carry to full completion all of the outstanding projects. These specialists will include a coal mining engineer, a mining engineer advisor for the crystalline graphite mine, a metallurgist for the Changhang smelter, an automotive shop foreman, a remedial gymnast and a prosthetics specialist for the Tongnae rehabilitation centre for the physically handicapped, two project officers at the National Medical Centre, and three other technical advisors on special assignment to Republic of Korea Government offices at the request of that Government.

UNKRA PERSONNEL ESTABLISHMENT

	Authorized positions		Filled positions	
	1 July 1957	30 June 1958	1 July 1957	30 June 1958
Korea.....	79	21	78	21
New York.....	27	13	27	13
Tokyo.....	1	1	1	1
TOTAL	107	35	106	35

Supply and procurement

157. The total value of purchase requisitions issued by the Agency's Korea Headquarters during the twelve months ended 30 June 1958, for project supplies and essential commodities, amounted to \$4.5 million. This was a further decline from the preceding year's total of \$6.2 million. With most of the UNKRA projects already completed prior to the start of the period, authorizations for project supplies accounted for only \$1.2 million of the total issued. This was exclusive, however, of very substantial procurement made directly for the new National Medical Centre by the international firm which is carrying out construction under a "package" contract, and procurement under similar contracts for the Mungyong cement plant, Inchon flat glass plant, etc.

158. Project supplies and essential commodities delivered to Korea during the period, in spite of a reduced volume, still came from a broad group of fifteen different countries, comprising Australia, Austria, Belgium, Denmark, the Federal Republic of Germany, Hong Kong, Japan, Luxembourg, Mexico, the Netherlands, the Saar, South Africa, Sweden, the United Kingdom and the United States of America. While most supplies and commodities arrived by commercial shipping, one large shipment of plywood, lumber and gypsum was delivered via an UNKRA-chartered vessel. Nine bulk cargoes of cement also arrived in UNKRA-engaged small ships.

Through 30 June 1958, a total of forty-seven larger ships had carried UNKRA cargoes to Korea under direct charter to the Agency, while bulk cargoes delivered in smaller ships also totalled forty-seven as of that date.

159. The Agency's supply and procurement operations continued to follow those procedures which were described in the Agent General's report to the General Assembly at its ninth session.¹³

Financial statements of the Agency

160. The financial report and accounts of the Agency for the twelve months ended 30 June 1957 and the certificate of the Board of Auditors¹⁴ were accepted by the Assembly at its twelfth session by resolution 1171 (XII) of 26 November 1957.

161. The Agency's financial report for the year ended 30 June 1958 will be submitted to the General Assembly at its thirteenth session as a separate document.

Emergency Programme

162. The United Nations Emergency Relief Programme for Korea, which furnished extensive, vital, non-military relief assistance to the Korean people prior to, and then parallel with, the UNKRA reconstruction programme, was concluded in the financial year ended 30 June 1957. From 3 March 1952 until the Programme's conclusion, the Agent General had full responsibility for transmitting offers of, and requests for emergency relief assistance under the Programme.

163. The Programme was based on Security Council resolutions S/1511 and S/1588 of 27 June and 7 July 1950 and Economic and Social Council resolution 323 (XI) of 14 August 1950. Total pledges and offers made thereto by thirty Member and two non-member States, non-governmental organizations and the specialized agencies amounted to \$479,061,599. At the close of the

¹³ *Official Records of the General Assembly, Ninth Session, Supplement No. 20 (A/2750).*

¹⁴ *Official Records of the General Assembly, Twelfth Session, Supplement No. 6B (A/3696).*

167. The effect of the UNKRA programme on the Korean economy increased further during the past year as most of the remaining projects were carried to completion and a new flow of consumer goods and basic materials entered the market from UNKRA-built plants and newly installed machinery. For instance, more, and better cloth, some for export to earn much-needed foreign exchange, became available from new cotton looms, while fine-mesh talc powders produced by a new UNKRA-provided grinding plant furnished the domestic market with high-grade materials that previously had to be imported. New fish canneries started production for home consumption and export and the spinning of flax yarns began at a newly completed flax, hemp and ramie mill. At the same time basic construction materials turned out by major new Agency-established facilities entered into use throughout South Korea.

168. The projects completed in the reporting period and a very few remaining ones which will be finished

Programme goods valued at \$474,358,896 had been delivered to Korea.¹⁵

Relations with other organizations

SPECIALIZED AGENCIES

164. The United Nations Educational, Social and Cultural Organization (UNESCO) assumed responsibility from UNKRA, by mutual agreement, on 1 September 1957 for continued United Nations participation in the activities of the UNKRA-established Foreign Language Institute in Seoul and the Fundamental Education Centre at Suwon. Previously, UNESCO had provided valuable assistance to the Agency in connexion with the initial establishment and operation of the latter Centre, by furnishing the services of a Director for the Centre and a fundamental education specialist.

165. Delegated operational responsibility for the UNESCO school gift coupon plan for Korea was returned to that organization by the Agency during the reporting period. From the start of the plan in 1953 until the date that responsibility therefor was relinquished, UNKRA acted for UNESCO in carrying out the plan with respect to all major details, including procurement. A very substantial amount of assistance was furnished during that time directly to Korean schools and school children through the plan by individual donors and private groups in several Member States and by volunteers of the United Nations Women's Guild.

VOLUNTARY AGENCIES

166. The last of 156 international voluntary agency projects in Korea which had been assisted by UNKRA grants-in-aid since 1952 was completed during the year. This ended an Agency undertaking which provided to the international voluntary agency programmes in the Republic of Korea a total of more than \$1.3 million in project assistance and supplementary support for ocean freight shipments. Direct relations with those programmes have now been concluded.

¹⁵ Annex I, section B and C, to this report contains a final statement and a summary of pledges, offers and contributions to the Programme.

CONCLUSION

during the first half of the financial year 1958-1959 represent the final stage of the United Nations programme of economic assistance to the Republic of Korea that has been carried out through UNKRA. A long and important advance has been made by the Korean economy since late 1952, when the Agency actively initiated its first major programme. At that time, many of Korea's factories, her schools and public institutions, irrigation works, mines, much of her housing, lay completely in ruins or suffering from extensive damage. Then, with the help of UNKRA, the Korean people and their Government set dauntlessly to work to repair what could be repaired, rebuild destroyed facilities or, in order to meet changed needs and demands, expand and construct still others. Willing and co-operative efforts on their part together with constant work during the years up to 30 June 1958 resulted in the broad list of completed UNKRA projects that now form an integral and important part of, and directly influence, the nation's entire economy.

169. To cite but a few of those accomplishments that are providing lasting benefits to the economy, new cement and flat glass plants were built and textile and paper plants were rehabilitated and expanded. The production of coal was trebled. New irrigation dams and reservoirs increased food production, while equipment and materials furnished to South Korea's fishermen resulted in important rises in marine production.

170. The main power distribution and transmission system was rehabilitated, substantially increasing power for use. The important port of Kunsan was restored to full operational condition that resulted in increased and more rapid movement of both domestic and aid goods shipments, while the civilian motor fleet in South Korea was enlarged by the addition of many new vehicles.

171. UNKRA class-rooms were built in all parts of the nation and UNKRA homes in practically all of the cities and larger towns. Medical education and treatment facilities were improved and expanded, orphanages were constructed and a modern rehabilitation centre was established to treat the physically handicapped, while vital vaccine production facilities also were restored.

172. These UNKRA accomplishments of this past and earlier years, in conjunction with the important accomplishments of the bilateral economic aid programme of the Government of the United States of America, assistance by the world voluntary agencies, and the continuous efforts and energies of the Korean people themselves and their Government enabled the Korean economy during the past year to achieve the greatest measure of stability that it has enjoyed since the outbreak of the Korean war. More still must be done and additional external aid will be required before the Republic of Korea can reach its ultimate objective of a

truly viable economy. Nevertheless, great progress has already been realized toward the attainment of that goal.

173. The role played by the United Nations through the instrumentality of UNKRA in the pronounced success that has emerged from the co-ordinated effort has been a noteworthy and significant one. The Agency's completed projects can be found everywhere throughout South Korea. Their immediate and cumulative beneficial effects are even now most extensive, and they will continue to grow as time passes. Their value and significance are equally well recognized by the Korean people and their Government, for whom, indeed, each UNKRA project constitutes visible, physical proof of the direct concern of the United Nations for their economic well-being in a time of extraordinary need.

174. The generous and historic aid provided by so many countries through UNKRA for the rehabilitation of the Korean economy represented a positive, tangible expression of sympathy and support by free nations of the world for the young Republic which was established under the auspices of the United Nations. The courageous people of Korea received that help with a deep feeling of gratitude that has steadily continued, and a resolute determination to prove their worthiness of it and of the faith in them that United Nations help implied. The conspicuous success which they and UNKRA have since achieved together towards the restoration of their economy is a most striking demonstration for all nations of the worthwhileness and effectiveness of collective, peacetime action through the United Nations in the economic field. It is a success, clear and unmistakable, that cannot but strengthen and increase universal belief and faith in the efficacy of the United Nations as a real force for the achievement of mutual economic progress.

ANNEXES

Annex I

A. Statement of Government pledges and contributions to the United Nations Korean Reconstruction Agency as at 30 June 1958 (In US dollar equivalents)

Member States	Amount pledged	Received in cash	Received in kind ^a	Total received	Balances outstanding
Argentina.....	500,000	—	500,000	500,000	—
Australia ^b	3,616,446	3,616,446	—	3,616,446	—
Austria.....	179,474	139,474	40,000	179,474	—
Belgium.....	600,000	600,000	—	600,000	—
Burma.....	49,934	—	49,934	49,934	—
Cambodia.....	1,000	1,000	—	1,000	—
Canada.....	7,413,021	7,413,021	—	7,413,021	—
Chile.....	250,000	250,000	—	250,000	—
Denmark.....	860,000	582,635	—	582,635	277,365*
Dominican Republic.....	10,000	10,000	—	10,000	—
Egypt.....	28,716	—	28,716	28,716	—
El Salvador.....	500	500	—	500	—
Ethiopia ^c	40,000	40,000	—	40,000	—
France.....	142,857	142,857	—	142,857	—
Greece.....	18,063	—	18,063	18,063	—
Guatemala ^d	7,704	7,704	—	7,704	—
Honduras.....	2,500	2,500	—	2,500	—
Indonesia.....	143,706	143,706	—	143,706	—
Israel.....	36,100	—	36,100	36,100	—
Italy.....	2,014,933	320,000	1,694,933	2,014,933	—
Lebanon ^e	50,000	50,000	—	50,000	—
Liberia.....	15,000	—	15,000	15,000	—
Luxembourg.....	50,000	50,000	—	50,000	—
Mexico.....	40,000	40,000	—	40,000	—
Netherlands.....	1,052,632	1,052,632	—	1,052,632	—
New Zealand.....	836,850	836,850	—	836,850	—
Norway.....	1,725,323	1,698,846	26,477	1,725,323	—
Pakistan.....	315,000	315,000	—	315,000	—
Panama.....	3,000	—	—	—	3,000
Paraguay ^e	10,000	10,000	—	10,000	—
Saudi Arabia.....	20,000	20,000	—	20,000	—
Sweden.....	988,904	974,539	—	974,539	14,365*
United Kingdom of Great Britain and Northern Ireland ^b	26,840,002	26,840,002	—	26,840,002	—
United States of America ^b	92,902,615	92,902,615	—	92,902,615	—
Venezuela.....	100,000	30,000	70,000	100,000	—
TOTAL	140,864,280	138,090,327	2,479,223	140,569,550	294,730
<i>Non-member States</i>					
Liechtenstein.....	465	465	—	465	—
Monaco.....	1,144	1,144	—	1,144	—
Switzerland.....	313,954	290,698	23,256	313,954	—
The Vatican.....	10,000	10,000	—	10,000	—
Viet-Nam.....	10,000	10,000	—	10,000	—
TOTAL	335,563	312,307	23,256	335,563	—
GRAND TOTAL	141,199,843	138,402,634	2,502,479	140,905,113	294,730

* These contributions in kind have been made available to the United Command for use in the Emergency Programme for Civilian Relief in Korea.

^b Previous contribution statements have shown pledges of \$4,001,726 for Australia, \$28,000,000 for the United Kingdom and \$162,500,000 for the United States. At the time these pledges were made, the Governments concerned stipulated that payment of the full amounts was conditional upon certain matching contributions being received from other Governments, and in the case of Australia and the United States upon certain percentage limitations. In this statement, these amounts have been adjusted to reflect the maximum contributions of these Govern-

ments in accordance with the terms of their pledges, on the basis of total contributions made by other Governments to the programme.

^c Offered to Emergency Programme but made available to UNKRA.

^d The contribution from the Government of Guatemala represents the proceeds of sale by the Government of 15,000 lb. of coffee.

^e To be settled under an agreement of 13 March 1956 for the establishment and operation of a National Medical Centre in Korea.

B. Final statement of Government pledges and contributions under Security Council resolutions pertaining to the Emergency Relief Programme, Korea^a
(In US dollar equivalents)

	Amount pledged	Total received	Balances outstanding
<i>Member States</i>			
Australia.....	413,314	413,314	—
Belgium.....	60,000	60,000	—
Brazil.....	2,702,703	—	2,702,703
Cambodia.....	27,429	27,429	—
Canada.....	764,856	764,856	—
China.....	634,782	634,782	—
Cuba.....	270,962	270,962	—
Denmark.....	238,011	238,011	—
Ecuador.....	99,441	99,441	—
France.....	74,286	74,286	—
Greece.....	153,219	153,219	—
Haiti.....	2,000	2,000	—
Iceland.....	45,400	45,400	—
India.....	171,080	171,080	—
Israel.....	63,000	63,000	—
Liberia.....	10,000	10,000	—
Mexico ^b	346,821	346,821	—
New Zealand.....	277,914	277,914	—
Norway.....	74,677	74,677	—
Pakistan.....	378,285	378,285	—
Peru.....	58,723	58,723	—
Philippines.....	2,330,653	2,330,653	—
Sweden.....	48,326	48,326	—
Thailand.....	4,368,000	4,368,000	—
United Kingdom of Great Britain and Northern Ireland.....	1,333,108	1,333,108	—
United States of America.....	427,090,439	427,090,439	—
Uruguay.....	2,250,780	250,780	2,000,000
Venezuela.....	80,842	80,842	—
TOTAL	444,369,051	439,666,348	4,702,703
<i>Non-member States</i>			
Germany.....	47,619	47,619	—
Japan.....	50,000	50,000	—
Viet-Nam.....	1,943	1,943	—
GRAND TOTAL	444,468,613	439,765,910	4,702,703

NOTE: Offers made by the Governments of Iran, Nicaragua and Turkey for Korean relief under Security Council resolutions were not accepted by the Unified Command owing to shipping difficulties.

^a The Emergency Relief Programme was concluded during the financial year ended 30 June 1957.

^b Supplies to the value of \$462,428 were shipped to Korea. Of this total, \$115,607 were entered as a contribution to Palestine relief. Adjustment of this matter between the emergency programme and UNRWA has been arranged.

C. Summary of assistance through the Emergency Relief Programme^a

(In US dollar equivalents)

Member and non-member States

(1) Contributions made directly to Emergency Relief Programme	439,765,910
(2) Offers made to the Negotiating Committee for Extra-Budgetary Funds but made available by UNKRA to the Emergency Relief Programme	2,058,830
(3) Cash contributions offered to the Emergency Relief Programme but credited to UNKRA	100,000
	<hr/>
TOTAL	441,924,740

Non-governmental organizations 28,262,058

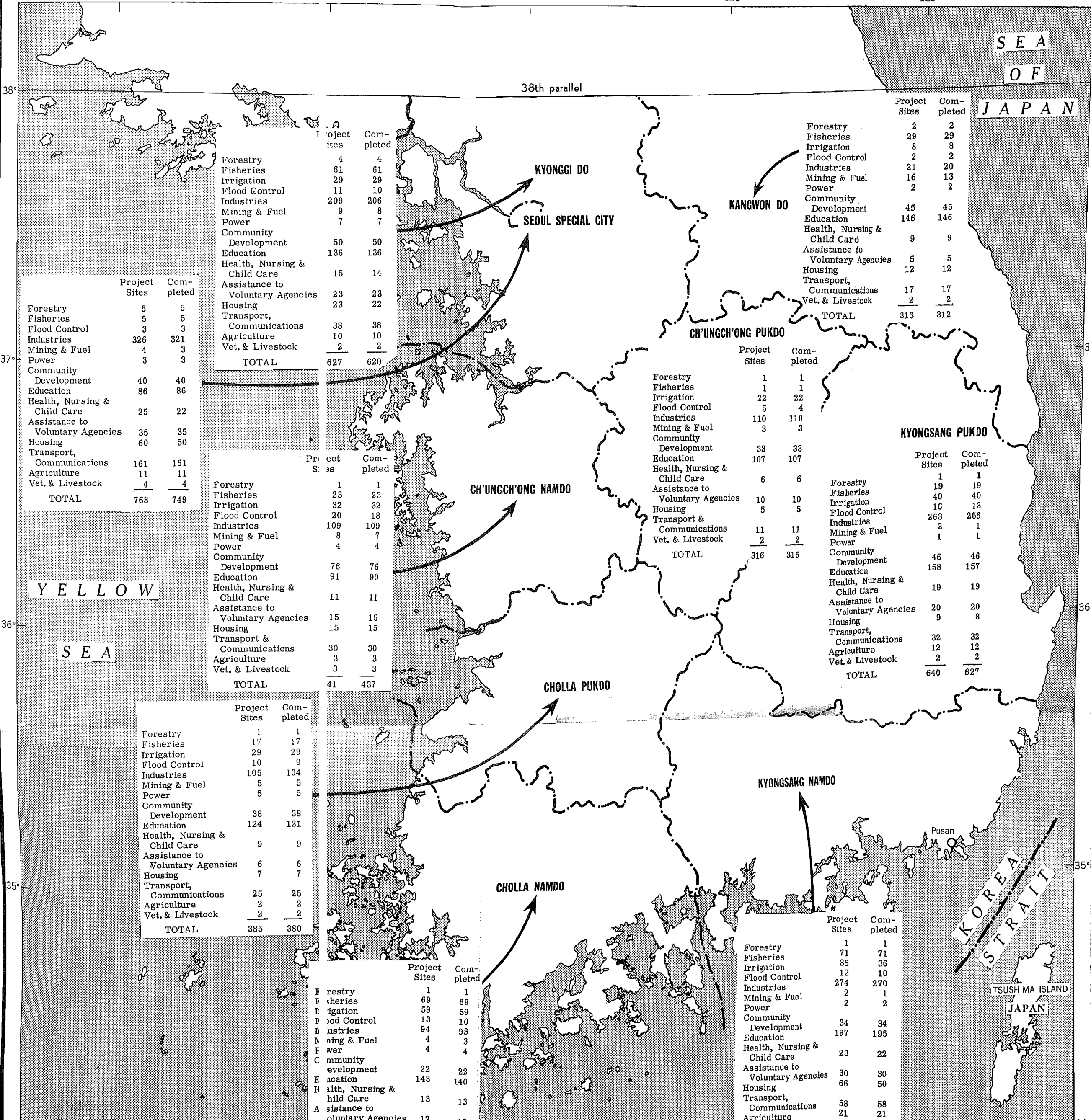
Specialized agencies 3,136,683

League of Red Cross Societies 1,035,415

GRAND TOTAL 474,358,896

^a The Emergency Relief Programme was concluded during the financial year ended 30 June 1957.

For a complete account of the assistance given under the Emergency Relief Programme, this summary should be read in conjunction with the tables shown in annex I.B. of the Agent General's report to the General Assembly at its ninth and tenth sessions. (See *Official Records of the General Assembly, Ninth Session, Supplement No. 20 (A/2750)* pp. 28-37, and *Tenth Session, Supplement No. 18, (A/2936)* pp. 26-27.)



Project	Sites	Completed
Forestry	4	4
Fisheries	61	61
Irrigation	29	29
Flood Control	11	10
Industries	209	206
Mining & Fuel	9	8
Power	7	7
Community Development	50	50
Education	136	136
Health, Nursing & Child Care	15	14
Assistance to Voluntary Agencies	23	23
Housing	23	22
Transport, Communications	38	38
Agriculture	10	10
Vet. & Livestock	2	2
TOTAL	627	620

Project	Sites	Completed
Forestry	5	5
Fisheries	5	5
Flood Control	3	3
Industries	326	321
Mining & Fuel	4	3
Power	3	3
Community Development	40	40
Education	86	86
Health, Nursing & Child Care	25	22
Assistance to Voluntary Agencies	35	35
Housing	60	50
Transport, Communications	161	161
Agriculture	11	11
Vet. & Livestock	4	4
TOTAL	768	749

Project	Sites	Completed
Forestry	1	1
Fisheries	23	23
Irrigation	32	32
Flood Control	20	18
Industries	109	109
Mining & Fuel	8	7
Power	4	4
Community Development	76	76
Education	91	90
Health, Nursing & Child Care	11	11
Assistance to Voluntary Agencies	15	15
Housing	15	15
Transport & Communications	30	30
Agriculture	3	3
Vet. & Livestock	3	3
TOTAL	41	437

Project	Sites	Completed
Forestry	1	1
Fisheries	17	17
Irrigation	29	29
Flood Control	10	9
Industries	105	104
Mining & Fuel	5	5
Power	5	5
Community Development	38	38
Education	124	121
Health, Nursing & Child Care	9	9
Assistance to Voluntary Agencies	6	6
Housing	7	7
Transport, Communications	25	25
Agriculture	2	2
Vet. & Livestock	2	2
TOTAL	385	380

Project	Sites	Completed
Forestry	1	1
Fisheries	69	69
Irrigation	59	59
Flood Control	13	10
Industries	94	93
Mining & Fuel	4	3
Power	4	4
Community Development	22	22
Education	143	140
Health, Nursing & Child Care	13	13
Assistance to Voluntary Agencies	12	12
Housing	10	8
Transport, Communications	36	36
Agriculture	1	1
Vet. & Livestock	2	2
TOTAL	483	473

TOTAL PROJECT SITES		
	TOTAL SITES	COMPLETED SITES
FORESTRY	18	18
FISHERIES	300	300
IRRIGATION	258	258
FLOOD CONTROL	92	80
INDUSTRIES	1,540	1,518
MINING & FUEL	53	44
POWER	32	32
COMMUNITY DEVELOPMENT	417	417
EDUCATION	1,215	1,205
HEALTH, NURSING & CHILD CARE	137	132
ASSISTANCE TO VOLUNTARY AGENCIES	156	156
HOUSING	208	177
TRANSPORT		

Project	Sites	Completed
Forestry	1	1
Fisheries	5	5
Irrigation	3	3
Flood Control	1	1
Industries	29	29
Power	4	4
Community Development	33	33
Education	27	27
Health, Nursing &		

Project	Sites	Completed
Forestry	2	2
Fisheries	29	29
Irrigation	8	8
Flood Control	2	2
Industries	21	20
Mining & Fuel	16	13
Power	2	2
Community Development	45	45
Education	146	146
Health, Nursing & Child Care	9	9
Assistance to Voluntary Agencies	5	5
Housing	12	12
Transport, Communications	17	17
Vet. & Livestock	2	2
TOTAL	316	312

Project	Sites	Completed
Forestry	1	1
Fisheries	1	1
Irrigation	22	22
Flood Control	5	4
Industries	110	110
Mining & Fuel	3	3
Community Development	33	33
Education	107	107
Health, Nursing & Child Care	6	6
Assistance to Voluntary Agencies	10	10
Housing	5	5
Transport & Communications	11	11
Vet. & Livestock	2	2
TOTAL	316	315

Project	Sites	Completed
Forestry	1	1
Fisheries	19	19
Irrigation	40	40
Flood Control	16	13
Industries	263	256
Mining & Fuel	2	1
Power	1	1
Community Development	46	46
Education	158	157
Health, Nursing & Child Care	19	19
Assistance to Voluntary Agencies	20	20
Housing	9	8
Transport, Communications	32	32
Agriculture	12	12
Vet. & Livestock	2	2
TOTAL	640	627

Project	Sites	Completed
Forestry	1	1
Fisheries	71	71
Irrigation	36	36
Flood Control	12	10
Industries	274	270
Mining & Fuel	2	1
Power	2	2
Community Development	34	34
Education	197	195
Health, Nursing & Child Care	23	22
Assistance to Voluntary Agencies	30	30
Housing	66	50
Transport, Communications	58	58
Agriculture	21	21
Vet. & Livestock	3	3
TOTAL	830	804

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REPUBLIC OF KOREA

UNKRA PROJECT SITES

AS AT 30 JUNE 1958

(Showing total sites and number completed by provinces)