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

GENERAL ASSEMBLY

OFFICIAL RECORDS : FIFTEENTH SESSION

SUPPLEMENT No. 13 (A/4466 and Add.1)

NEW YORK

(21 p.)

UNITED NATIONS

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NOTE

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

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INTRODUCTION

The present report covers the period from 11 August 1959, the date of the Commission's last report, to 20 August 1960.*

The United Nations Commission for the Unification and Rehabilitation of Korea was established by General Assembly resolution 376 (V) of 7 October 1950, and its functions in the economic sphere were further defined in General Assembly resolution 410 A (V) of 1 December 1950.

The report should be read in conjunction with the previous reports submitted by the Commission to the General Assembly at its sixth, seventh, eighth, ninth, tenth, eleventh, twelfth, thirteenth and fourteenth sessions covering the period from 7 October 1950 to 11 August 1959 (A/1881, A/2187, A/2441, A/2711, A/2947, A/3172, A/3672, A/3865 and A/4187).

The report was signed on 20 August 1960.

*A supplementary report, covering recent developments, is included at the end of the present volume.

REPORT OF THE UNITED NATIONS COMMISSION FOR THE UNIFICATION AND REHABILITATION OF KOREA (A/4466)

Chapter I

THE COMMISSION AND ITS COMMITTEE—TERMS OF REFERENCE, ORGANIZATION AND ACTIVITIES

A. Consideration of the Korean question by the General Assembly at its fourteenth session

1. In its report to the General Assembly at the fourteenth session,¹ the United Nations Commission for the Unification and Rehabilitation of Korea (UNCURK) stated that the Committee of UNCURK, acting on behalf of the Commission, had pursued its efforts in the period under review, to promote the United Nations objectives in Korea, although hampered by the non-acceptance of the United Nations principles for unification on the part of the North Korean authorities.

2. The General Assembly considered the Korean question and, at its 851st plenary meeting, held on 9 December 1959, adopted resolution 1455 (XIV) by 54 votes to 9, with 17 abstentions. In this resolution, the Assembly, having received the ninth report of UNCURK, reaffirmed its resolutions 112 (II) of 14 November 1947, 195 (III) of 12 December 1948, 293 (IV) of 21 October 1949, 376 (V) of 7 October 1950, 811 (IX) of 11 December 1954, 910 A (X) of 29 November 1955, 1010 (XI) of 11 January 1957, 1180 (XII) of 29 November 1957, and 1264 (XIII) of 14 November 1958. It noted that, despite the exchange of correspondence between the communist authorities concerned and the United Kingdom of Great Britain and Northern Ireland on behalf of the Governments of countries which had contributed forces to the United Nations Command in Korea, in which these Governments had expressed their sincere desire to see a lasting settlement of the Korean question in accordance with United Nations resolutions, and despite their willingness to explore any measures designed to bring about reunification on this basis, the communist authorities continued to refuse to co-operate with the United Nations in bringing about a peaceful and democratic solution of the Korean problem. The Assembly regretted that the communist authorities continued to deny the competence and authority of the United Nations to deal with the Korean question, claiming that any resolution on the question adopted by the United Nations was null and void. It noted further that the United Nations forces which had been sent to Korea in accordance with resolutions of the United Nations had for the greater part already been withdrawn, and that the Governments concerned were prepared to withdraw their remaining forces from Korea when the conditions for a lasting settlement laid down by the General Assembly had been fulfilled. The General Assembly reaffirmed that the objectives of the United Nations in Korea were to bring about, by peaceful

means, the establishment of a unified, independent and democratic Korea under a representative form of government, and the full restoration of international peace and security in the area. It called upon the communist authorities concerned to accept these established United Nations objectives in order to achieve a settlement in Korea based on the fundamental principles for unification set forth by the nations participating on behalf of the United Nations in the Korean Political Conference held at Geneva in 1954, and reaffirmed by the General Assembly, and to agree at an early date on the holding of genuinely free elections in accordance with the principles endorsed by the Assembly. It requested the Commission to continue its work in accordance with the relevant resolutions of the General Assembly, and requested the Secretary-General to place the Korean question on the provisional agenda of the fifteenth session of the General Assembly.

B. Organization and present position²

3. It will be recalled that, as a matter of internal organization, the Commission, at its 372nd meeting, held on 7 September 1955, decided to establish in Korea from 1 January 1956, a Committee consisting of representatives of Australia, the Philippines, Thailand and Turkey, with authority to act on behalf of the Commission in pursuit of the Commission's objectives in Korea. The decision also provided that the Commission as a whole could be convened at any time if the circumstances should render it necessary.

4. The Committee reconvened the Commission in Seoul on 19 August 1960, with the participation of all seven members, for the consideration of the Commission's report to the General Assembly at its fifteenth session.

5. Acting on behalf of the Commission, the Committee has, in the period under review, pursued its efforts to promote the United Nations objectives in Korea and has continued to aim for an early and proper settlement of the Korean question, despite the limited role imposed upon it by the continued non-acceptance by the North Korean authorities of the United Nations principles for the unification of Korea. Between 11 August 1959 and 20 August 1960 the Committee observed two elections of national scope in the Republic of Korea. It held eighty-five meetings and had consultations with officials and civic leaders of the Republic of Korea and with the Administrator for Residual Affairs of the United Nations Korean Reconstruction Agency.

¹ Official Records of the General Assembly, Fourteenth Session, Supplement No. 13 (A/4187).

² The composition of the delegations and secretariat is set out in annex I.

Chapter II

THE KOREAN QUESTION AND THE REPUBLIC OF KOREA

A. The question of unification

6. During the period under review the Commission has continued to follow closely developments relating to the question of the unification of Korea. The statements made by the Government of the Republic of Korea on this question, up to the events of the latter half of April, represented in the opinion of the Commission a continuation of its position as summarized in previous annual reports of the Commission.

7. The Republic of Korea officially welcomed the adoption of General Assembly resolution 1455 (XIV) of 9 December 1959. Nevertheless, leaders of the previous Government again issued calls for stronger measures to bring about the unification of the country, and, in particular, there were statements advocating the use of force to achieve unification, preferably with the assistance of allied countries, but if necessary alone.

8. The Acting President and Prime Minister of the interim Government, Mr. Huh Chung, in several statements, disagreed with these views on the use of force, declaring, among other things, that "the *clichés*, the emotional decisions, and the 'March north' oaths of yesterday" had been abandoned. He advocated efforts to bring the division of Korea to a peaceful end in accordance with the principles set forth in United Nations resolutions.

9. The Commission is obliged again to report that there has been no indication of any readiness on the part of the communist authorities concerned to respond to the latest call addressed to them by the General Assembly in resolution 1455 (XIV) to accept established United Nations objectives in order to achieve a settlement in Korea. As the Commission has noted in earlier reports, the prospects of unification, on which a full measure of stability and sound economic progress in Korea largely depend, remain remote as long as this unwillingness persists.

B. Question of the admission of the Republic of Korea to membership in the United Nations

10. During the period covered by this report, leaders of the Government headed by former President Dr. Syngman Rhee and of the interim Government of Mr. Huh Chung reiterated the desire of the Government and of the people of the Republic of Korea for the admission of the Republic to membership in the United Nations.

C. Diplomatic relations of the Republic of Korea

11. In the course of the year under review, the Republic of Korea has further extended its foreign relations as a sovereign State. It signed an agreement with Brazil on 30 October 1959 to exchange ambassadors, and an agreement with Thailand reciprocally elevating their respective diplomatic missions from legations to embassies.⁸

12. President Dwight D. Eisenhower of the United States of America paid a state visit to the Republic of Korea from 19 June to 20 June 1960. Official visits included that of the President of the Grand National Assembly of Turkey.

13. The Republic of Korea sent special envoys on three goodwill missions: the first mission, in December 1959, visited Ethiopia, Ghana, Libya, Morocco, Sudan, Tunisia and the Union of South Africa; the second mission, in February 1960, visited the Republic of China, the Federation of Malaya, the Philippines, Thailand and Viet-Nam; the third mission, in June 1960, visited Cameroon, Congo, Guinea, the Federation of Mali, Morocco, Nigeria, and Togoland.

⁸ See annex III.

Chapter III

REPRESENTATIVE GOVERNMENT IN THE REPUBLIC OF KOREA

A. Introduction

14. In the course of the past year, the Commission has, within its mandate, continued not only to observe political events but also to be available for consultation in the development of representative government in the Republic of Korea. Conscious of the increasing ability of the Republic to develop by its own efforts a democratic system of government and administration since its establishment in 1948, and to adapt the institutions of democracy to meet the character, tradition and needs of the Korean people, the Commission feels that the assistance which it is possible to give at the present stage of development is limited.

15. Political developments during this period have confirmed the further growth and spread of an active concern on the part of the Korean people for democratic methods and the safeguarding of civil liberties.

They have also demonstrated a nation-wide determination to correct abuses of power, root out corruption, and eliminate all possible weaknesses or deficiencies in the political life of the Republic. Thus, in the opinion of the Commission, the political upheavals which led eventually to the resignation of President Rhee and the adoption later of fundamental changes in the Constitution of the Republic, stemmed partly from a widespread feeling that the rampant irregularities and abuses associated with the presidential and vice-presidential elections held on 15 March 1960 had been made possible by the undue concentration of political power in the hands of the President. The marked contrast between the manner and atmosphere in which these elections and the ones held on 29 July 1960 for the National Assembly were conducted respectively provides another illustration of the degree to which the people of the Republic of Korea, within the brief span of twelve years

of national experience under a representative form of government, have further developed their innate capacity to cope with their internal political problems and difficulties.

16. In assessing the growth of democracy in the Republic of Korea, the Commission has not lost sight of the formidable difficulties under which such progress has been achieved and of the many serious problems of production, reconstruction and internal security which the Republic has to face as a result of the unnatural division of the country. Despite all these handicaps and difficulties, the Commission has noted among the Korean people a growing awareness of the fact that a high sense of civic responsibility, respect for the Constitution and fundamental laws of the country, and a large measure of understanding and co-operation from elected representatives, the Press and the people in general are essential in every circumstance in order to maintain the continued integrity of the Republic and thus avoid the development in the future of any situation that might affect adversely the basic stability and democratic structure of the country and might possibly tend to weaken international confidence and support.

17. It has also noted that there is a general recognition by the people of the fact that the authority of the properly constituted organs of government—whether of the executive, the legislature or the judiciary—should be upheld, and should not be brought into disrespect by irresponsible and unlawful pressure or action of organized groups.

B. Developments during the period under review

18. In its last report the Commission referred to political controversies within the Republic of Korea. These were greatly intensified during the period under review and culminated in the events associated with the presidential and vice-presidential elections held on 15 March 1960, with the change of government resulting from the resignation of the incumbent President Syngman Rhee and with the subsequent adoption of amendments to the Constitution. Another major political event was the holding of simultaneous general elections for both houses of the National Assembly on 29 July 1960.

C. Presidential and vice-presidential elections

19. The candidates in the elections of 15 March were as follows (candidates are listed in the order in which their names appeared on the ballot papers; party affiliations and numbers of votes are recorded for each):
For President:

Dr. Chough Pyong Ok,⁴ Democratic Party

Dr. Syngman Rhee,⁵ Liberal Party (9,633,376 votes)

For Vice-President:

Mr. Lee Ki Poong, Liberal Party (8,337,059 votes)

Mr. Kim Jun Yon, Unification Party (249,095 votes)

Miss Yim Yong Shin (Louise Yim), Daehan Women's Party (97,533 votes)

Dr. Chang Myun (John M. Chang),⁶ Democratic Party (1,843,758 votes)

⁴ Dr. Chough died before election day, but his name appeared on the ballot papers in accordance with the election law for the President and Vice-President then in force. The votes cast for Dr. Chough as "sympathy votes" were regarded as invalid and were not included in the official tabulations and announcements.

⁵ Dr. Syngman Rhee was the incumbent President.

⁶ Dr. Chang Myun was the incumbent Vice-President.

20. On 15 March, the Democratic Party Headquarters in Seoul declared the elections "illegal, null, and void" and instructed its observers to withdraw from the ballot-counting procedures.

21. The results were announced on 18 March 1960, but the opposition, alleging that there had been grave irregularities in the preparations for and conduct of the elections, refused to accept the results and early in April brought legal action to have the elections declared invalid.⁷

D. The April demonstrations and other political developments

22. In the period preceding the elections there were repeated and wide-spread reports in the independent and opposition Korean Press (which was throughout strongly critical of the Government's actions) and by opposition politicians that certain illegalities had been committed by the Government, by the Administration and by the Liberal Party in their preparations for the elections. Further allegations about the actual conduct of the voting and vote counting were made on election day itself and demonstrations were held in which students from universities and schools participated. Rigorous suppression of these demonstrations led to the death of several students.

23. Indignation at this, coupled with general dissatisfaction at the conduct of the elections, caused the student demonstrations to continue and to grow in size, demanding new elections and the punishment of those responsible for election abuses.

24. The largest of such demonstrations took place in Seoul on 19 and 26 April,⁸ and many students were killed and wounded as a result of police action designed to break up the demonstrations. At no stage was there any indication that the students wished to overthrow the Government by force, and as soon as their demands were met they assisted the martial law authorities in restoring law and order. These authorities and the ROK Army acted with great restraint and impartiality following the declaration of martial law on 19 April.⁹

E. Change of Government

25. As a result of these demonstrations the entire Cabinet resigned. President Rhee then appointed three ministers¹⁰ to the Cabinet prior to his own resignation on 3 May.¹¹ The new Foreign Minister, Mr. Huh Chung, as senior member of the Cabinet, formed an interim Government pursuant to the existing Constitution, and held office pending the adoption of constitutional changes and the holding of new elections for the National Assembly. The interim Government under-

⁷ This court action lapsed following the decision to hold new elections.

⁸ The demonstration on 26 April was preceded by a demonstration of university professors on 25 April.

⁹ On 19 April at 1 p.m. Security Martial Law was proclaimed in Seoul. Later in the day (5 p.m.) the much stricter Extraordinary Martial Law was decreed and enforced in Seoul and in four other cities—Pusan, Taegu, Kwangju and Taejon. On 25 April, Press censorship was lifted. Extraordinary Martial Law was replaced by Security Martial Law in Seoul and four other cities. On 26 April, Extraordinary Martial Law was again enforced in Seoul and the four cities. On 27 May, Extraordinary Martial Law was replaced by Security Martial Law. On 15 July, Security Martial Law was lifted.

¹⁰ The three Ministers were: Mr. Huh Chung, Minister of Foreign Affairs, Mr. Lee Ho, Minister of Home Affairs, Mr. Kwon Sung Yul, Minister of Justice.

¹¹ The Vice-President, Dr. Chang, had resigned on 23 April.

took a series of immediate reforms and brought to trial those considered responsible for violations of the election and other laws. These cases were *sub judice* at the time the report was signed.

F. Constitutional amendments¹²

26. On 26 April 1960, the House of Representatives unanimously adopted a motion to establish an *ad hoc* committee to draft constitutional amendments. Upon completion of the drafting of the amendments, this Committee held a public hearing on 5 May with the participation of prominent legal experts. The draft amendments, signed by 175 members of the House, were submitted to that body on 11 May. The Acting President announced the proposed amendments to the public on the same day.

27. The House of Representatives adopted the constitutional amendments on 15 June by 208 votes to 3. On the same day, the Government formally promulgated the amendments to the Constitution.

28. These amendments are of outstanding importance in the relationship between the organs of government. They led to a change of the pattern of government from a "presidential system" to a "parliamentary system" with a cabinet responsible to the legislature. Within the framework of the Constitution, as amended, the policies of the Executive no longer emanate from the President but from the State Council headed by the Prime Minister.

29. The Commission has gained the impression that these changes, making the Executive directly responsible to the National Assembly, were influenced not only by the events of 15 March 1960, as mentioned earlier in this report, but also by a desire to resolve certain practical difficulties which have existed since the beginnings of the Republic in reconciling the respective roles of the President, the Prime Minister (when this office existed) and the National Assembly under a Constitution containing elements of both a presidential system and a parliamentary system. Thus the net effect of these constitutional changes is to make the National Assembly the main repository of power.

(i) THE NATIONAL ASSEMBLY

30. Under the Constitution, legislative power is exercised by the National Assembly, which is composed of two Houses—the House of Representatives and the House of Councillors.¹³ The members of both Houses are elected by "universal, equal, direct and secret vote". The members of the House of Representatives hold office for a term of four years, and those of the House of Councillors for a term of six years. Elections for half of the membership of the House of Councillors are to be held every three years. The House of Representatives elects a Speaker and two Vice-Speakers, and the House of Councillors a President and a Vice-President. Bills pertaining to legislative and budgetary matters are first presented to the House of Representatives.

¹² In the absence of an official translation issued by the Government of the Republic of Korea, this section is based upon an unofficial English version of the Constitution as amended on 15 June 1960.

¹³ The Constitution, prior to the new amendments, also provided for a bi-cameral legislature. Elections for the House of Councillors were, however, never held, thus leaving the House of Representatives the only Chamber in the National Assembly. Elections for the House of Councillors required a presidential order proclaiming elections which, however, was not issued. (*Official Records of the General Assembly, Fourteenth Session, Supplement No. 13 (A/4187)*, chapter III, para. 23.)

If the House of Councillors disagrees with the House of Representatives, it can either pass a resolution different from the one adopted by the House of Representatives or refrain from adopting a resolution within certain specified time limits. The House of Representatives in either case can override the action of the House of Councillors by adopting budget bills by a simple majority and other bills by a two-thirds majority. The number and election of the members of the House of Representatives is determined by law, while the members of the House of Councillors are elected by districts composed of special cities and provinces and their number is not to exceed one fourth of the fixed number of the members of the House of Representatives.

(ii) THE PRESIDENT

31. Under the Constitution, as amended, the President, who is elected by the members of both Houses of the National Assembly at a joint session, is the Head of the State and represents the State. He confirms the appointment and dismissal of public officials, including members of the State Council.

(iii) THE EXECUTIVE

32. Executive powers are vested in the State Council, composed of the Prime Minister and members whose total number is not to be more than fifteen nor less than eight. The majority, including the Prime Minister, must be members of the National Assembly, except when the House of Representatives has been dissolved. The Prime Minister is to be nominated by the President and approved by the House of Representatives. In case the President's nominations have been twice rejected by the House of Representatives, or no nomination has been made within five days after the President has failed to obtain the consent of the House of Representatives for his first nomination, the Prime Minister is to be elected by the House of Representatives. The heads of Ministries are to be appointed by the Prime Minister from among the members of the State Council. The members of the State Council are appointed and dismissed by the Prime Minister, subject to confirmation by the President. The State Council is jointly responsible to the House of Representatives. It must resign as a whole when the House of Representatives has adopted a no-confidence resolution, unless the Council decides to dissolve the House of Representatives within ten days.

(iv) THE COURTS

33. The Constitution vests judicial power in the courts which include a Supreme Court. The organization of the courts is determined by law. As amended, the Constitution provides that the Chief Justice and Justices of the Supreme Court are elected by an "electors group" organized by those qualified as judges, and are confirmed by the President. Other judges are appointed by the Chief Justice upon the decision of the Congress of Justices.¹⁴ The tenure of judges remains fixed at ten years, subject to reappointment. There is now also a separate Constitutional Court, whose members are appointed by the President, the Supreme Court and the House of Councillors. Each of these appoints three of the total of nine members.

G. National Assembly elections

34. The elections for the National Assembly (under

¹⁴ The Congress of Justices consists of all justices of the Supreme Court. The Chief Justice is its Chairman (Court Organization Law, Art. 60).

the amended constitution) were held on 29 July. The results are given in annex IV.

H. Formation of a new Government

35. Mr. Yoon Bo Sun (Posun Yun) was elected President on 12 August, and on 19 August Dr. Chang Myun became Prime Minister.

I. Activities of the Commission

(i) OBSERVATION OF 15 MARCH 1960 PRESIDENTIAL AND VICE-PRESIDENTIAL ELECTIONS

36. The Committee of UNCURK decided to carry out observation of the elections of 15 March. The Government of the Republic of Korea was informed of this decision and gave the Committee assistance in the performance of this task.

37. The Committee put five observer teams into the field. These teams inspected voting stations and interviewed election officials, party workers and private citizens in the Special City of Seoul and the provinces of Kyunggi Do, Choongchung Namdo, Cholla Pukdo, Cholla Namdo, Kyungsang Pukto, Kyungsang Namdo and Kangwon Do.

38. In the Commission's view the arrangements for and the conduct of the elections were very far from satisfactory. The observer teams heard many allegations of irregularities and malpractices and themselves noted clear violations of established voting procedures which caused the Commission serious concern, and of which officials of the Government of the Republic of Korea were apprised following the elections.

(ii) OBSERVATION OF THE 29 JULY 1960 NATIONAL ELECTIONS

39. During the 29 July elections for the National Assembly, the Committee put ten observer teams into the field to cover the Special City of Seoul and the nine provinces.

40. In the opinion of the Commission the arrange-

ments for and the conduct of these elections were very satisfactory. There was a general desire and determination to have free and fair elections. In a few local areas regrettable incidents occurred, the most serious being the destruction of ballot boxes¹⁵ after the close of voting by persons apparently dissatisfied with the favourable trend of voting results for candidates linked with the Liberal Party, or for other reasons. These incidents, although of a serious nature, were very limited in scope, and in the Commission's opinion in no way reflected upon the over-all organization and conduct of the elections. The authorities took appropriate action and held re-elections which were conducted in an orderly, free and fair manner. The Committee observed re-elections in several districts.

41. The Commission would like to place on record its appreciation of the co-operation the Committee received from the Government of the Republic of Korea, the election committees at all levels, candidates and their campaigners, and private citizens, in its observation of the elections.

J. Conclusion

42. In the Commission's view the change of government after the election of 15 March was the result of a spontaneous expression of resentment against the previous government for its failure to observe democratic processes to the satisfaction of the people.

43. The Commission regards the restraint and moderation which marked both the change of government and the ensuing period leading to the formation of a new government after the elections of 29 July as evidence of the political maturity and self-reliance further developed by the Korean people since the proclamation of the Republic of Korea in 1948.

¹⁵ Out of a total of 14,158 ballot boxes 245 were destroyed. As a result, however, full or partial re-elections were held in 12 of the total of 233 districts for the House of Representatives and in 2 of the 10 election districts for the House of Councillors. A further re-election, for both Houses, was due to the disruption of election arrangements by inclement weather.

Chapter IV

THE ECONOMIC SITUATION AND PROSPECTS IN THE REPUBLIC OF KOREA

A. Introduction

(i) GENERAL REVIEW

44. The year covered by this report must be considered against the background of recent economic developments in the Republic of Korea. The period 1953-1957 was characterized by efforts for reconstruction directed both towards regaining the 1949 level of production and income and the solution of problems inherited from the Korean conflict such as the influx of refugees from the north and the severe inflation which ensued. These immediate aims had to be accomplished before primary attention could be given to the long-term planning necessary to develop the economic resources of the country.

45. While it is difficult to differentiate clearly one stage of economic life from another, it may be said that

by 1958 the reconstruction phase had largely been fulfilled and that the present phase is one of development and growth with intervening periods of adjustment.

46. In this context, the Commission wishes once again to draw attention to the economic importance of the question of unification particularly in relation to the problems involved in drawing up comprehensive long-term plans for economic development.

47. Further, in present circumstances the continuance of foreign aid either from individual countries or from international agencies is necessary for the maintenance of economic stability in the Republic.

(ii) IMPORTANCE OF FOREIGN AID

48. As shown below,¹⁶ foreign aid (mainly fur-

¹⁶ See also section iv below on public finance.

nished by the United States) has covered most of the deficit of the central government budget and thus has made possible the maintenance of the necessary standard of living and level of administrative services. However, with greater attention being diverted to economic growth, it is appropriate to analyse capital formation in the context of foreign aid.

49. The 1959 gross national product at market prices amounted to hwan 1,812.7 thousand million, reflecting a rate of growth of 8.5 per cent over the previous year. However, a significant part of this growth was due solely to rising prices. At 1955 constant market prices, the 1959 gross national product rose by only 4.5 per cent as compared to 6.4 per cent in 1958.

50. Gross domestic fixed capital formation (in real terms) as a percentage of gross national product has declined from 13.3 per cent in 1957 to 12.7 per cent in 1958 and 11.7 per cent in 1959. Thus there are indications that total investment may be decreasing. The decline in gross domestic capital formation in 1959, both in absolute and relative terms, can be explained by a decline in foreign aid, which was not accompanied by parallel reductions in administrative, military and private consumption expenditures. In 1959, expenditures for private and general government consumption increased in absolute real terms, and it appears that the decrease in foreign aid was met mainly by the decrease effected in fixed gross domestic capital formation. It should be noted that if total investment is not raised each year, the rate of growth may decline as the economy progresses from rehabilitation to development.

51. The importance of foreign aid may also be seen from the point of view of balance of payments. Since the country has no substantial holdings of gold and foreign exchange, a decrease in foreign aid is reflected in a decrease in imports. At present, exports pay for only a fraction of imports and therefore fall short of meeting basic import needs. Further decreases in imports, stemming from reduced foreign aid and other factors, could thus adversely affect the productivity and the standard of living of the population.

52. Attention is now being given by authorities to the problem of maintaining maximum capital investment (on the basis of an adequate but austere living standard). Given favourable conditions, such as the continuance of sufficient foreign aid, and sound policies, such as minimum consumption and more efficiency, capital formation can be expected to rise gradually over the next several years.

53. Foreign aid remains essential for the Korean economy since it renders possible a continued economic growth and at the same time helps maintain an adequate standard of living. A large proportion of foreign aid is still contributed in the form of consumer goods. This makes possible the diversion of domestic resources from consumption to investment. Without underestimating its importance, however, it should be noted that foreign aid is a temporary expedient. Its effective use depends in a large measure on internal economic stability, on the determined efforts of the Korean people, and on the channelling into productive investment of the largest possible proportion of domestic resources.

B. Economic and financial developments during the period under review

54. The performance of the different sectors of the economy in 1959 and the first half of 1960, where figures are available, is as follows:

(i) AGRICULTURE

55. Agricultural production rose in 1959. The rice crop (the most important agricultural product) was the highest since 1945 and summer grains also produced a record crop, with a favourable outlook for 1960. There were, however, tangible declines in vegetable production in 1959 owing mainly to typhoon damage.¹⁷

(ii) INDUSTRY

56. The combined industrial production index for mining, manufacturing and electric power shows a rise of 14.7 per cent in 1959 over 1958, and a further slight improvement during the first half of 1960.

57. Major gains were recorded in mining. Coal production in 1959 amounted to 4,136,412 metric tons which is 54.9 per cent higher than in 1958. This trend continued during the first half of 1960 when coal production totalled 2,642,338 metric tons.

58. The quantity of metal ore mined depends to a large extent on the demand of foreign markets since the country is not yet able to utilize all its metal ore production. The principal ores are iron and tungsten. Partly as a result of the suspension of trade relations with Japan, the output of metal ore in 1959 has declined by 1.9 per cent over 1958. The situation has improved in the first half of 1960 owing to growing foreign demand and the resumption of trade with Japan. The metal ore production index for the first half of 1960 shows a significant rise of 33 per cent over the 1959 average.

59. The 1959 production index of manufacturing industries showed an increase of 11.2 per cent over that of 1958. The index during the first half of 1960 averaged 112.8 as against 111.2 for 1959. The sluggishness in manufacturing is due to power shortage and to uncertainties in the political sphere. In the period under review gains were registered in paper and paper products, beverages, rubber products, chemicals, basic metals and electrical machinery. Industries supplying producers have generally fared better than those directly catering to consumers. There is probably much excess capacity in some consumption industries, particularly in textiles and food.

60. Total electric power generated in 1959 was kW 1,686 million (47 per cent hydro, 53 per cent thermal), an increase of 11 per cent over 1958. During the first half of 1960 power generated totalled kW 848 million, a slight gain over the 1959 average output. Despite this increase, however, power supply still remains far short of meeting industrial and domestic needs. Means of improving this situation are being considered.

(iii) MONEY SUPPLY AND PRICES

61. The Financial Stabilization Programme is now in its third year of operation. Its general purpose is to stabilize the economy through effective controls over the flow of money. Under this programme, the country has achieved some measure of stability, but the danger of inflation is not yet over as the Korean economy is definitely inflation biased. There is, for example, no statutory limit to government deficit financing other than approval by the National Assembly; nor is there any law governing the relation between note issue and foreign reserves. Although inflationary pressures have intensified during 1959 and the first four months of 1960, careful fiscal and monetary measures have held

¹⁷ See annex V, B.

them in check. In May and June 1960, the money supply declined in response to the lull in business activity.¹⁸

62. The "new wholesale price index" (1955 = 100) for all commodities rose continuously from 138.9 in January 1959 to 165.2 in June 1960. This rise is attributable to a decrease of aid goods received, to the suspension of trade with Japan from June 1959 to April 1960, to damage caused by typhoon "Sarah" in September 1959, to political uncertainties, and to speculation induced by these factors. An important exception to this rise in the general price index was the erratic fluctuation of grain prices which fell after the rice harvest of 1959 but rose again during the first half of 1960 in anticipation of sales of rice to Japan and in response to seasonal influences.

(iv) PUBLIC FINANCE

63. The central government budget showed a persistent budget deficit brought about by large defence and development expenditures. Excluding foreign aid, deficits for 1959 and 1960 are estimated at hwan 151.8 thousand million and hwan 136.6 thousand million. These deficits have been met largely through foreign aid, to a lesser extent through the sale of national bonds and sometimes through direct inflationary methods.

64. While the dependence on foreign aid remains considerable the Government has been placing greater emphasis on domestic sources of revenue. It is estimated that foreign aid has met 34 per cent and 29 per cent of the total expenditure in 1959 and in 1960, respectively. Foreign aid has been decreasing not only in relative terms but also in absolute terms. Since expenditures have been increasing every year, this indicates that there is greater reliance on domestic sources of finance, particularly indirect taxes.

65. Heavy defence outlays of 32 per cent of the total estimated expenditures in 1960 mean that a large proportion of the government's expenditures is on current goods and services—52 per cent of appropriations in 1960. A notable increase in current expenditure during the last two fiscal years has been due to the doubling of salaries of civil servants and military personnel. Capital expenditure, on the other hand, is estimated at hwan 114.2 thousand million or about 25 per cent of the total estimated expenditures in 1960.

66. Revenues for 1960, excluding foreign aid and loans, are estimated at hwan 316.8 thousand million. In addition, an estimated hwan 8.2 thousand million represents net internal borrowing, which is expected to be obtained through the sale of national bonds. Taxes on production and expenditure, which have been increased in the last few years, are the largest contributors to the budget. It is expected that in 1960 62 per cent of receipts, excluding foreign aid, will be furnished by these sources. Taxes on income and wealth have not kept pace with the rising national income and have remained relatively minor. They are expected to contribute 20 per cent of total domestic receipts in 1960.

(v) FOREIGN TRADE AND PAYMENTS

67. Foreign trade during 1959 registered a substantial improvement over that of the previous year despite the suspension of trade with Japan during the second half of the year.

68. Exports rose from \$16.5 million in 1958 to \$19.2 million in 1959. This was mainly due to the export of rice (for the first time since the Korean conflict), and to an increase in exports of metal ores to the United States of America.

69. Imports, including aid goods received through foreign aid, declined appreciably from \$378.2 million in 1958 to \$282.7 million in 1959, owing to a decreased supply of United States aid goods. Imports consist largely of foodstuffs, raw materials and fuel for industry. They therefore have a strong bearing on inflationary pressures and prices. Shortages caused by decreased imports account in part for the rise in the wholesale price index during the second half of 1959 and early 1960.

70. As a result of decreased foreign aid the net balance on current account has been much less in 1959 than in 1958, i.e., \$16.5 million as against \$37.7 million. Taking into account the various capital outflows, the addition to foreign exchange holdings was a mere \$0.6 million in 1959 as against \$30.8 million in 1958.

71. While the Republic of Korea produces a variety of goods for export, the demand for them is small owing to the high cost of production which renders them uncompetitive, even at the favourable exchange rates provided for exports. This is particularly true for medium and small scale enterprises, which are an important feature of the economy. Such industries have found it difficult in the past to obtain adequate operating capital and have usually had recourse to usurers charging high interest rates.

72. Export prospects for 1960 seem to be better than in 1959. During the first half of 1960 exports amounted to \$11.46 million as compared to \$10.51 million for the same period last year. The resumption of trade with Japan, and particularly the agreement for the sale of 30,000 tons of Korean rice to that country, may stimulate exports to some extent.

73. During the first half of 1960 imports amounted to \$142.53 million as against \$133.35 million for the same period last year.

* * *

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

The Commission places on record its appreciation of the services rendered by the Secretariat during the year.

DONE at Commission Headquarters, Seoul, Korea, this twentieth day of August, one thousand nine hundred and sixty.

(Signed) A. J. MELHUSH, *Australia*
R. SUAREZ, *Chile*
N. A. J. DE VOOGD, *Netherlands*
Mohammed ALI, *Pakistan*
Juan M. ARREGLADO, *Philippines*
Sawat BUSPAROEK, *Thailand*
Muammer BAYKAN, *Turkey*

David HALL
Principal Secretary

¹⁸ See annex V, C.

ANNEXES

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

A. Delegations to the Commission

1. LIST OF DELEGATIONS

AUSTRALIA

Representative

Mr. Hugh A. Dunn^a
Mr. Arthur John Melhuish^b

Alternate representative

Mr. Richard K. Gate

CHILE

Representative

Mr. Roberto Suarez Barros, Ambassador Extraordinary and Plenipotentiary^c

NETHERLANDS

Representative

Mr. N. A. J. de Voogd, Ambassador Extraordinary and Plenipotentiary^d

Acting representative

Mr. A. R. Tammenoms Bakker^e

PAKISTAN

Representative

Mr. Mohammed Ali, Ambassador Extraordinary and Plenipotentiary

PHILIPPINES

Representative

Mr. Eduardo Quintero, Ambassador Extraordinary and Plenipotentiary^f
Mr. Juan M. Arreglado, Ambassador Extraordinary and Plenipotentiary^g

Alternate representative

Mr. Antonio P. Lim^h
Mr. Pelayo F. Llamasⁱ

THAILAND

Representative

Air Marshal Prince Rangsiyakorn Aphakorn, Ambassador Extraordinary and Plenipotentiary

Alternate representative

Mr. Sawat Busparoeck

^a Until 5 December 1959.

^b From 6 December 1959.

^c From 25 January 1960.

^d From 1 April 1960.

^e Until 31 March 1960.

^f Until 9 February 1960 (departed 29 November 1959).

^g From 10 February 1960 (arrived 4 April 1960).

^h Until 23 June 1960.

ⁱ From 24 June 1960.

TURKEY

Representative

Mr. Mehmet Osman Dostel^j
Mr. Muammer Baykan^k

Alternate representative

Mr. Mesut Suntay

2. ROSTER OF CHAIRMANSHIP

(i) Commission

When the Commission reconvened on 19 August 1960 to consider the report, the chairmanship was assumed by the alternate representative of Thailand.

(ii) Committee of UNCURK

1959

August

Mr. Sawat Busparoeck, *Thailand*

September

Mr. Mehmet Osman Dostel, *Turkey*

October

Mr. Hugh A. Dunn, *Australia*

November

Mr. Eduardo Quintero, *Philippines*
Mr. Antonio P. Lim, *Philippines*

December

Mr. Sawat Busparoeck, *Thailand*
Mr. Mehmet Osman Dostel, *Turkey*^l

1960

January

Mr. Mehmet Osman Dostel, *Turkey*

February

Mr. Arthur John Melhuish, *Australia*

March

Mr. Antonio P. Lim, *Philippines*

April

Mr. Sawat Busparoeck, *Thailand*

May

Mr. Muammer Baykan, *Turkey*

June

Mr. Arthur John Melhuish, *Australia*

July

Mr. Juan M. Arreglado, *Philippines*
Mr. Pelayo F. Llamas, *Philippines*

August

Mr. Sawat Busparoeck, *Thailand*

^j Until 1 March 1960 (departed 24 February 1960).

^k From 2 March 1960 (arrived in Tokyo 27 March and in Seoul 4 April 1960).

^l In the absence of the alternate representative of Thailand.

B. United Nations Secretariat

Principal Secretary

Mr. Mohammad Ali Aghassi (until 14 June 1960)
Mr. David L. D. Hall (from 15 June 1960)

Political Affairs Officer

Miss Amada Segarra (until 15 October 1959)
Mr. Ahmet H. Ozbudun (from 16 October 1959)

Administrative and Finance Officer

Mr. Melvin Silverman (until 13 September 1959)
Mr. Michel Pilarski (from 14 September 1959)

Economic Affairs Officer

Mr. Gabriel E. Rezek (from 20 June 1960)

Communications and Transportation Officer

Mr. Cornelis Heinsius (until 29 June 1960)

General Service Officer

Mr. Ronald Binge (from 6 October 1959)

Personal Assistant to the Principal Secretary

Mr. Donald J. Rogers

Administrative Assistant

Mr. James D. P. Whyte

Secretary

Mr. Francisco J. Pego (from 8 July 1960)

Assistant to the Principal Secretary

Mr. Kim Yoon Yul

Research Assistants

Mr. Cho Dong Bin
Mr. Moon Hae Shik

Transportation and Building Maintenance Assistant

Mr. Chung Hak Joon

Finance Assistant

Mr. Sohng Ri Chan

C. Organization

The delegations of the Committee of UNCURK and the Secretariat are established in Seoul.

The Commission and its Committee have continued to receive logistical support from the United Nations Command. They have also received co-operation and assistance from the liaison officers provided by the Ministry of National Defense of the Republic of Korea.

II. Government of the Republic of Korea

A. Executive

President of the Republic

Syngman Rhee (resigned 3 May 1960)

Huh Chung (Acting) (from 3 May to 15 June 1960)

Under the former Constitution, the senior member of the Cabinet (Minister of Foreign Affairs) acted for the Presidency in the event of vacancy in the post

Kwak Sang Hoon (Acting) (from 15 to 23 June 1960)

Under the Constitution as amended on 15 June 1960, in the absence of a President of the House of Councillors, the Speaker of the House of Representatives acted for the Presidency

Huh Chung (Acting) (from 23 June to 8 August 1960)

Under the amended Constitution, Mr. Huh, as Prime Minister, again acted for the Presidency, in the absence of a President of the House of Councillors and upon the resignation of the Speaker of the House of Representatives

Paik Lak Joon (George L. Paik) (Acting) (from 8 to 12 August 1960)

Under the amended Constitution, the President of the House of Councillors, upon his election, acted for the Presidency

Yoon Bo Sun (Posun Yun)

Elected by the National Assembly on 12 August 1960 as President of the Republic of Korea

Vice-President of the Republic

Chang Myun (John M. Chang) (resigned on 23 April 1960)

Lee Ki Poong (elected on 15 March; died on 28 April before his inauguration)

The Constitution as amended on 15 June 1960 abolished the Vice-Presidency

Prime Minister

Huh Chung (from 15 June 1960)

Foreign Minister Huh Chung automatically became the Prime Minister under the Constitution amended on 15 June 1960 which established the Office of the Prime Minister

Chang Myun (John M. Chang) (approved by the House of Representatives on 19 August 1960)

Ministers:

Foreign Affairs:

Cho Chung Whan (resigned on 2 April 1960)

Huh Chung (appointed on 25 April 1960)

Home Affairs:

Choi In Kyu (resigned on 23 March 1960)

Hong Jin Ki (appointed on 23 March and resigned on 24 April 1960)

Lee Ho (appointed on 25 April 1960)

Finance:

Song In Sang (resigned on 24 April 1960)

Yoon Ho Byung (appointed on 25 April 1960)

Justice:

Hong Jin Ki (resigned on 23 March 1960)

Kwon Sung Yul (appointed on 25 April 1960)

National Defence:

Kim Chung Yul (resigned on 24 April 1960)

Lee Chong Chan (appointed on 2 May 1960)

Education:

Choi Jai Yoo (resigned on 26 April 1960)

Lee Byung Do (appointed on 28 April 1960)

Reconstruction:

Shin Hyon Hwack (resigned on 24 April 1960)

Chun Ye Yong (appointed on 28 April 1960)

Agriculture and Forestry:

Lee Keun Jik (resigned on 24 April 1960)

Lee Hai Ik (appointed on 2 May 1960)

Commerce and Industry:

Koo Yong Su (resigned on 8 April 1960)

Kim Yung Chan (appointed on 8 April and resigned on 24 April 1960)

Chun Taik Bo (appointed on 28 April and resigned on 2 June 1960)

Oh Chung Soo (appointed on 2 June and resigned on 1 July 1960)

Health and Social Affairs:

Sohn Chang Hwan (resigned on 24 April 1960)

Kim Sung Jin (appointed on 28 April 1960)

Transportation:

Kim Il Hwan (resigned on 24 April 1960)

Suk Sang Ok (appointed on 28 April 1960)

Communications:

Kwak Ui Yung (resigned on 24 April 1960)

Oh Jung Soo (appointed on 2 May and resigned on 2 June 1960)

Choi Yong Duk (appointed on 2 June 1960)

B. Fourth and Fifth National Assembly

HOUSE OF COUNCILLORS

President:

Paik Lak Joon (elected on 8 August 1960)

Vice-President:

Soh Sun Kyoo (elected on 8 August 1960)

III. International relations of the Republic of Korea

A. Representation of foreign Governments in Seoul

| | |
|--|----------------------|
| Apostolic Delegation | |
| Republic of China | Embassy |
| Kingdom of Denmark | Legation |
| Republic of France | Embassy |
| Federal Republic of Germany | Embassy |
| Republic of Italy | Embassy |
| Kingdom of Norway | Legation |
| Republic of the Philippines | Embassy |
| Kingdom of Sweden | Legation |
| Kingdom of Thailand | Embassy ^m |
| Republic of Turkey | Embassy |
| United Kingdom of Great Britain and Northern Ireland | Embassy |
| United States of America | Embassy |
| Republic of Viet-Nam | Embassy |

B. Diplomatic and consular representation of the Republic of Korea

| | |
|---------------|-------------------|
| Taipei | Embassy |
| Washington | Embassy |
| Paris | Embassy |
| London | Embassy |
| Manila | Embassy |
| Bonn | Embassy |
| Saigon | Embassy |
| Ankara | Embassy |
| Rome | Embassy |
| Tokyo | Mission |
| New York | Mission |
| Geneva | Mission |
| Los Angeles | Consulate General |
| New York | Consulate General |
| Honolulu | Consulate General |
| Hong Kong | Consulate General |
| San Francisco | Consulate General |
| Sydney | Consulate General |

^m Elevated to embassy status on 1 March 1960.

HOUSE OF REPRESENTATIVES

Speaker:

Lee Ki Poong (died on 28 April 1960)

Kwak Sang Hoon (elected on 2 May, re-elected on 4 June; resigned on 23 June 1960. Re-elected on 8 August 1960)

Vice-Speakers:

Han Hui Suk (2 September 1959)

Lee Jai Hak (resigned on 26 May 1960)

Im Chul Ho (resigned on 26 May 1960)

Kim Do Yun (elected on 10 June and served until 28 July 1960)

Lee Jai Hyung (elected on 10 June and served until 28 July 1960)

Lee Yung Joon (elected on 8 August 1960)

Suh Min Ho (elected on 8 August 1960)

C. Judiciary

Chief Justice of the Supreme Court:

Cho Yong Soon (resigned on 11 May 1960)

Kim Kap Soo (Acting) (from 11 May to 18 June 1960)

Bae Jung Hyun (Acting) (as on 19 June 1960)

The Republic of Korea and the United States of Brazil agreed to exchange ambassadors on October 30, 1959.

C. Accessions by the Republic of Korea to international organizations and international treaties

| <i>Organizations and treaties</i> | <i>Date of accession</i> |
|---|--------------------------|
| Agreement on Disposal of United States Excess Property located in Korea between the Republic of Korea and the United States of America | 1 October 1959 |
| Agreement between the Republic of Korea and the United Nations for the Establishment and Maintenance of a United Nations Memorial Cemetery in Korea | 6 November 1959 |
| Exchange of Notes between the Government of the Republic of Korea and the Government of the United States of America constituting an agreement relating to Guaranty of Investments | 19 February 1960 |
| International Wheat Agreement, 1959 | 23 February 1960 |
| Exchange of Notes between the Government of the Republic of Korea and the Government of the United States of America relating to the Loan of the US Naval Vessels | 1 April 1960 |
| Universal Postal Union | 14 March 1960 |
| Convention on Safety of Life at Sea, 1948 | 17 March 1960 |
| Agreement regarding Disposition of Residual Funds, Projects, Materials and Responsibility of UNKRA | 1 June 1960 |
| Exchange of Notes between the Government of the Republic of Korea and the Government of the United States of America, amending the Agreement between them for financing certain educational exchange programs of April 28, 1950 | 30 June 1960 |

The Republic of Korea has pending an application for membership in the United Nations.

D. Main international conferences attended by the Republic of Korea

United Nations

Fourteenth regular session of General Assembly—Observer (New York)

Second United Nations Conference on the Law of the Sea (Geneva)

Second United Nations Congress on the Prevention of Crime and the Treatment of Offenders (London)

United Nations Tin Conference (New York)

International Atomic Energy Agency

Third General Conference (Vienna)

International Telecommunication Union

Plenipotentiary Conference (Geneva)

Ordinary Radio Administrative Conference (Geneva)

Economic Commission for Asia and the Far East

Study Tour of Mining and Geological Experts from ECAFE to the United States and Canada

Fifth session of the Working Party on Economic Development and Planning (Bangkok)

Eighth session of the Inland Transport and Communications Committee (Bangkok)

Seventh session of the Sub-committee on Electric Power (Tokyo)

United Nations Conference on Social Works (New Delhi)

Second session of the Intra-regional Trade Promotion Talks (Bangkok)

Seminar on Public Industrial Enterprises (New Delhi)

Third session of the Committee on Trade (Bangkok)

Twelfth session of the Committee on Industry and Natural Resources (Bangkok)

Sixteenth session of the Economic Commission for Asia and the Far East (Bangkok)

Third Conference of Asian Statisticians (Bangkok)

Seminar on Evaluation and Utilization of Population Census (Bombay)

Fourth session of the Sub-committee on Mineral Resources Development and Working Party of Senior Geologists (Tokyo)

Third Workshop on the Problems of Budget Reclassification and Management (Bangkok)

Food and Agriculture Organizations of the United Nations

Ninth session of FAO (Rome)

Fourth session of the FAO Consultative Sub-committee on Economic Aspects of Rice (Saigon)

Thirty-second session of the FAO Council (Rome)

Tenth session of the International Poplar Commission (Venice)

Thirty-second session of the FAO Committee on Commodity Problems (Rome)

FAO Training Center on Aerial Forestry Inventory (Kuala Lumpur)

Fifth session of Asia Pacific Forestry Commission (New Delhi)

International Monetary Fund and International Bank of Reconstruction and Development

Fourteenth session of the Board of Governors (Washington)

United Nations Educational, Scientific and Cultural Organization

Inter-governmental Conference on Oceanographic Research (Copenhagen)

Twenty-third International Conference on Public Education (Geneva)

World Meteorological Organization

Second session of the Regional Association (Rangoon)

Third session of the Commission for Maritime Meteorology (Utrecht)

World Health Organization

Tenth session of the World Health Organization Regional Committee for the Western Pacific (Taipei)

Thirteenth World Health Assembly (Geneva)

Seminar on the Education and Training of Sanitation Personnel (Tokyo)

Tuberculosis Seminar sponsored by the World Health Organization Regional Committee for the Western Pacific (Sydney)

United Nations Technical Assistance Board

Human Rights Seminar (Tokyo)

International Wheat Council

28th, 29th and 30th sessions (London)

International Cotton Advisory Committee

Nineteenth plenary meeting (Mexico City)

(Annex IV continues overleaf)

IV. Elections for the National Assembly, 29 July 1960

A. Official returns of the elections for the House of Councillors of the Fifth National Assembly of the Republic of Korea^a

| City or province | Population | Number of candidates | Number of registered voters | Number of votes cast | Number of seats | | | | | | Total |
|--------------------------|-------------------|----------------------|-----------------------------|----------------------|------------------|---------------------|-----------------------|-------------------|---------------|-------------------------|-----------|
| | | | | | Democratic Party | Social Masses Party | Korea Socialist Party | Unification Party | Liberal Party | Independents and others | |
| Special City of Seoul... | 1,574,868 | 28 | 1,109,569 | 832,680 | 4 | — | — | — | — | 2 | 6 |
| Kyunggi Do..... | 2,363,660 | 20 | 1,297,896 | 1,110,746 | 3 | — | — | — | 1 | 2 | 6 |
| Choongchung Pukdo.... | 1,192,071 | 12 | 646,631 | 566,536 | 3 | — | — | — | 1 | — | 4 |
| Choongchung Namdo... | 2,222,725 | 22 | 1,169,383 | 994,147 | 2 | 1 | — | — | 1 | 2 | 6 |
| Cholla Pukdo..... | 2,126,255 | 16 | 1,105,114 | 945,064 | 4 | — | — | — | — | 2 | 6 |
| Cholla Namdo..... | 3,127,559 | 22 | 1,616,626 | 1,369,562 | 4 | — | — | — | 1 | 3 | 8 |
| Kyungsang Pukdo.... | 3,363,798 | 34 | 1,801,826 | 1,524,798 | 3 | — | 1 | — | — | 4 | 8 |
| Kyungsang Namdo.... | 3,770,209 | 28 | 1,940,109 | 1,599,828 | 4 | — | — | — | — | 4 | 8 |
| Kangwon Do..... | 1,496,301 | 12 | 769,474 | 683,235 | 3 | — | — | — | — | 1 | 4 |
| Cheju Do..... | 288,928 | 7 | 136,804 | 121,092 | 1 | — | — | — | — | 1 | 2 |
| TOTAL | 21,526,374 | 201 | 11,593,432 | 9,747,688 | 31 | 1 | 1 | 0 | 4 | 21 | 58 |

^a As supplied by the Central Election Committee.

B. Official returns of the elections for the House of Representatives of the Fifth National Assembly of the Republic of Korea^o

| City or province | Population | Number of candidates | Number of registered voters | Number of votes cast | Number of seats | | | | | | Total |
|--------------------------|-------------------|----------------------|-----------------------------|----------------------|------------------|---------------------|-----------------------|-------------------|---------------|-------------------------|------------|
| | | | | | Democratic Party | Social Masses Party | Korea Socialist Party | Unification Party | Liberal Party | Independents and others | |
| Special City of Seoul... | 1,574,868 | 103 | 1,109,569 | 836,419 | 15 | — | — | — | — | 1 | 16 |
| Kyunggi Do..... | 2,363,660 | 243 | 1,297,896 | 1,108,052 | 14 | — | — | — | — | 11 | 25 |
| Choongchung Pukdo.... | 1,192,071 | 82 | 646,631 | 562,470 | 9 | — | — | — | — | 4 | 13 |
| Choongchung Namdo... | 2,222,725 | 136 | 1,169,383 | 987,359 | 18 | — | — | — | — | 4 | 22 |
| Cholla Pukdo..... | 2,126,255 | 136 | 1,105,114 | 949,687 | 18 | 1 | — | — | — | 5 | 24 |
| Cholla Namdo..... | 3,127,559 | 163 | 1,616,626 | 1,376,319 | 29 | — | — | 1 | — | 2 | 32 |
| Kyungsang Pukdo.... | 3,363,798 | 247 | 1,801,826 | 1,529,573 | 28 | 1 | — | — | — | 9 | 38 |
| Kyungsang Namdo.... | 3,770,209 | 291 | 1,940,109 | 1,623,682 | 31 | 1 | — | — | 1 | 7 | 40 |
| Kangwon Do..... | 1,496,301 | 141 | 769,474 | 684,181 | 12 | 1 | — | — | 1 | 6 | 20 |
| Cheju Do..... | 288,928 | 21 | 136,804 | 121,179 | 1 | — | 1 | — | — | 1 | 3 |
| TOTAL | 21,526,374 | 1,563 | 11,593,432 | 9,778,921 | 175 | 4 | 1 | 1 | 2 | 49 | 233 |

^o As supplied by the Central Election Committee.

V. Economic data

A. Gross national product by industrial origin^p (In billion hwan)

| | At current market prices | | | | At 1955 constant market prices | | | |
|---|--------------------------|--------------|----------------|--------------|--------------------------------|--------------|----------------|--------------|
| | 1958 | | 1959 | | 1958 | | 1959 | |
| | Amount | Per cent | Amount | Per cent | Amount | Per cent | Amount | Per cent |
| Agriculture, forestry and fisheries..... | 641.1 | 38.4 | 646.8 | 35.7 | 445.6 | 40.5 | 458.0 | 39.9 |
| Mining and quarrying..... | 19.2 | 1.2 | 24.3 | 1.3 | 13.5 | 1.2 | 16.3 | 1.4 |
| Manufacturing..... | 191.8 | 11.5 | 212.0 | 11.7 | 141.8 | 13.0 | 149.9 | 13.0 |
| Construction..... | 62.6 | 3.7 | 68.4 | 3.8 | 41.3 | 3.7 | 44.4 | 3.9 |
| Electricity, water and sanitary services. | 16.9 | 1.0 | 18.6 | 1.0 | 7.5 | 0.7 | 8.5 | 0.7 |
| Transportation, storage and communications..... | 58.9 | 3.5 | 77.4 | 4.3 | 36.9 | 3.4 | 46.7 | 4.1 |
| Wholesale and retail trade..... | 245.5 | 14.7 | 275.6 | 15.2 | 164.5 | 15.0 | 172.5 | 15.0 |
| Banking, insurance and real estate..... | 22.9 | 1.4 | 27.4 | 1.5 | 14.0 | 1.3 | 16.8 | 1.5 |
| Ownership of dwellings..... | 113.2 | 6.8 | 124.4 | 6.9 | 69.9 | 6.3 | 70.2 | 6.1 |
| Public administration and defence..... | 128.6 | 7.7 | 151.0 | 8.3 | 56.1 | 5.1 | 53.4 | 4.6 |
| Services..... | 155.8 | 9.3 | 172.5 | 9.5 | 95.3 | 8.6 | 99.2 | 8.6 |
| Rest of the world..... | 14.0 | 0.8 | 14.3 | 0.8 | 13.2 | 1.2 | 13.4 | 1.2 |
| GROSS NATIONAL PRODUCT..... | 1,670.5 | 100.0 | 1,812.7 | 100.0 | 1,099.6 | 100.0 | 1,149.3 | 100.0 |
| Index of GNP (1953 = 100)..... | 428.3 | | 464.8 | | 128.4 | | 134.2 | |
| GROWTH RATES OF GNP (per cent).... | | 3.2 | | 8.5 | | 6.4 | | 4.5 |

Source: Bank of Korea, *Economic Statistics Yearbook 1960*, p. 8.

^p Preliminary.

B. Agricultural production
(In thousands of metric tons)

| | Cleaned rice | Grains ^a and pulses (cleaned) | Potatoes | Cotton and oil-seed crops | Fruit | Vegetables |
|-----------|--------------|--|----------|---------------------------|-------|------------|
| 1955..... | 2,249 | 916 | 770 | 71 | 111 | 898 |
| 1956..... | 1,852 | 962 | 636 | 62 | 112 | 702 |
| 1957..... | 2,287 | 887 | 700 | 39 | 123 | 957 |
| 1958..... | 2,405 | 1,049 | 714 | 37 | 147 | 789 |
| 1959..... | 2,406 | 1,252 | 690 | 40 | 162 | 720 |

Source: Bank of Korea, *Economic Statistics Yearbook 1960*, pp. 134-137.

^a Grains include barley, wheat, rye and millet. Pulses include soy-beans, red beans, green beans.

[†] Including apples, pears, persimmons, grapes, peaches and oranges.

[‡] Including radishes, cabbage and green onions.

C. Money supply
(In million hwan)

| End of; | Currency in circulation | Deposits | Money supply |
|---------------|-------------------------|----------|--------------|
| 1955..... | 58,777 | 34,746 | 93,523 |
| 1956..... | 73,338 | 47,587 | 120,925 |
| 1957..... | 86,048 | 59,136 | 145,184 |
| 1958..... | 111,057 | 81,496 | 192,553 |
| 1959..... | 123,595 | 86,305 | 209,900 |
| 1960: | | | |
| January..... | 128,915 | 88,824 | 217,739 |
| February..... | 121,724 | 95,506 | 217,230 |
| March..... | 111,659 | 99,413 | 211,072 |
| April..... | 118,588 | 93,058 | 211,646 |
| May..... | 113,401 | 94,051 | 207,452 |
| June..... | 117,873 | 89,025 | 206,898 |

Source: Bank of Korea, *Economic Statistics Yearbook 1960*, pp. 16-17, for figures up to end 1959; Bank of Korea, *Monthly Statistical Review*, vol. XIV, No. 7, p. 3, for 1960 figures.

D. New wholesale price index
(1955=100)

| | All commodities | Grains | Excluding grains |
|---------------|-----------------|--------|------------------|
| 1956..... | 131.6 | 159.5 | 122.4 |
| 1957..... | 152.9 | 183.2 | 142.9 |
| 1958..... | 143.4 | 150.0 | 141.3 |
| 1959..... | 147.2 | 131.4 | 152.5 |
| 1960: | | | |
| January..... | 152.8 | 120.3 | 163.5 |
| February..... | 155.9 | 132.3 | 163.8 |
| March..... | 159.4 | 143.1 | 164.8 |
| April..... | 161.4 | 154.7 | 163.6 |
| May..... | 162.7 | 158.8 | 164.0 |
| June..... | 165.2 | 171.8 | 163.0 |

Source: Bank of Korea, *Economic Statistics Yearbook 1960*, pp. 234-235, for figures up to end 1959; Bank of Korea, *Monthly Statistical Review*, vol. XIV, No. 7, pp. 35-36, for 1960 figures.

E. Central government budget
(In billion hwan)

| F.Y. | Expenditure | | | | Receipts | | | | | | | |
|---------------------------------------|-------------|-------|-------------|-------|----------|--------|----------|--------|-------|-------|-------|-------|
| | Actual | | Estimate | | Actual | | Estimate | | | | | |
| | 1957 | 1958 | 1959 | 1960 | 1957 | 1958 | 1959 | 1960 | | | | |
| I. Current..... | 219.9 | 253.2 | 305.6 | 341.1 | 148.9 | 183.3 | 238.4 | 298.2 | | | | |
| II. Capital..... | 142.8 | 152.1 | 101.8 | 114.2 | 13.4 | 15.8 | 17.2 | 18.6 | | | | |
| | TOTAL | | | | 362.7 | 405.3 | 407.4 | 455.3 | 162.3 | 199.1 | 255.6 | 316.8 |
| Deficit..... | | | | | -200.4 | -206.2 | -151.8 | -138.5 | | | | |
| A. Net internal borrowing..... | | | | | 48.0 | 10.4 | 8.5 | 8.2 | | | | |
| B. Foreign aid..... | | | | | 189.7 | 171.6 | 138.7 | 132.2 | | | | |
| | | | TOTAL A + B | | 237.7 | 182.0 | 147.2 | 137.9 | | | | |
| Change in cash balance..... | | | | | 37.3 | -24.2 | -4.6 | 1.9 | | | | |
| Foreign aid: | | | | | | | | | | | | |
| As per cent of deficit..... | | | | | (94.6) | (83.2) | (90.1) | (95.4) | | | | |
| As per cent of total expenditure..... | | | | | (52.3) | (42.3) | (34.0) | (29.0) | | | | |

Source: Bank of Korea, *Economic Statistics Yearbook 1960*, pp. 82-83.

SUPPLEMENTARY REPORT OF THE UNITED NATIONS COMMISSION FOR THE UNIFICATION AND REHABILITATION OF KOREA (A/4466/Add.1)

A. Introduction

1. In its annual report to the General Assembly submitted on 20 August 1960 (A/4466), the Commission included a review of political developments within the Republic of Korea, and provided an account of the general position taken on the question of unification by the former Liberal Government headed by Dr. Syngman Rhee and by the interim Government headed by Mr. Huh Chung. It also referred to the statements made by leaders of these Governments concerning the pending application of the Republic of Korea for admission to membership in the United Nations.

2. The Commission feels that it would be useful to provide the General Assembly, prior to its consideration of the Korean question at its fifteenth session, with supplementary material covering the formation of the new Government as a result of the 29 July elections and various aspects of the policy of this Government, including the question of unification and the application of the Republic for membership in the United Nations.

B. Formation of a new government following the 29 July elections

3. As was indicated in the annual report of the Commission, Dr. Chang Myun became Prime Minister on 19 August 1960. Attempts to form a government consisting of equal numbers of cabinet members from the "new" and from the "old" factions of the Democratic Party, along with independents, were at first unsuccessful and, on 23 August, Dr. Chang formed a Cabinet (State Council) which consisted, in addition to the Prime Minister, of eleven members¹ of the "new" faction, two independents and one member from the "old" faction, who accepted the post without the endorsement of his faction.²

4. In announcing the formation of this Cabinet, the Prime Minister expressed his intention to continue efforts to organize a government consisting of "old"

and "new" faction members as well as of independents. On 7 September, four key members (from the "new" faction) of the above Cabinet³ resigned, reportedly in order to provide an opportunity for the establishment of such a government. Finally, on 12 September, Dr. Chang announced the formation of a new government which included four additional "old" faction members. A fifth member of the "old" faction was appointed to the Cabinet on 15 September.⁴

5. This endeavour to form a stable government, fully representative of the popular will as expressed in the national elections of 29 July 1960, has involved effort and co-operation by all concerned and demonstrates a significant continuation of the spirit of restraint and moderation on the part of the Korean people and its leaders described by the Commission in its annual report.⁵

C. Statements made on foreign policy by the new Government

6. In a policy statement before the National Assembly on 27 August, the Prime Minister said that his Government would lay stress on unification through free elections throughout Korea under the supervision of the United Nations. He reiterated the desire of his country to secure admission to membership in the United Nations.

7. On 6 September the Foreign Minister of the Republic of Korea officially transmitted to the Committee of UNCURK the text of a seven-point foreign policy statement which had been made public on 24 August. In this statement, *inter alia*, the Government of the Republic of Korea held that the unification of Korea should be achieved through United Nations supervised free elections throughout Korea pursuant to the United Nations resolutions. The reckless policy of

³ Ministers of Home Affairs, National Defence, and Commerce and Industry, and the Director of the Executive Office of the State Council.

⁴ Members of this Cabinet were as follows:

Ministers:

Foreign Affairs, Chyung Yil Hyung ("new" faction)
Home Affairs, Lee Sang Chul ("new" faction)
Finance, Kim Yung Sun ("new" faction)
Justice, Cho Jai Chun ("new" faction)
National Defence, Kwon Joong Don ("old" faction)
Education, Oh Chun Suk (Independent)
Reconstruction, Kim Woo Pyung ("old" faction)
Agriculture and Forestry, Park Jae Hwan (Independent)
Commerce and Industry, Choo Yo Han ("new" faction)
Transportation, Park Hae Chung ("old" faction)
Health and Social Affairs, La Yong Kyoon (Iong Gwyn Ra) ("old" faction)
Communications, Cho Han Baik ("old" faction, appointed on 15 September)
Without portfolio, Kim Sun Tae ("new" faction); Shin Hyun Don ("new" faction)
Director, Executive Office of the State Council: Chung Hun Joo ("old" faction)

⁵ See chapter III, p. 2.

¹ This number includes the Director of the Executive Office of the State Council.

² Members of this Cabinet were as follows:

Ministers:

Foreign Affairs, Chyung Yil Hyung ("new" faction)
Home Affairs, Hong Ik Pyo ("new" faction)
Finance, Kim Yung Sun ("new" faction)
Justice, Cho Jai Chun ("new" faction)
National Defence, Hyun Suk Ho ("new" faction)
Education, Oh Chun Suk (Independent)
Reconstruction, Choo Yo Han ("new" faction)
Agriculture and Forestry, Park Jae Hwan (Independent)
Commerce and Industry, Lee Tae Yong ("new" faction)
Transportation, Chung Hun Joo ("old" faction)
Health and Social Affairs, Shin Hyun Don ("new" faction)
Communications, Lee Sang Chul ("new" faction)
Without portfolio, Kim Sun Tae ("new" faction)
Director, Executive Office of the State Council: Oh Ui Yung ("new" faction)

unification by force advocated by the past Liberal Government, it was declared, should now be discarded. This statement also emphasized the desire of the Korean Government to achieve admission to membership in the United Nations and referred in that connexion to "the special relations which exist between Korea" and the Organization. Other points covered by the statement included an indication that, in conformity with the spirit of the United Nations Charter, the Government would "positively work for the creation of a collective security body" in the Far East. It was also indicated that the Government would seek further to extend its diplomatic relationships. The Foreign Minister also declared that diplomatic relations between the Republic of Korea and Japan "should be normalized as soon as possible on the principle of mutual respect and reciprocity". In this connexion, it may be noted that, following this statement, the Foreign Minister of Japan made an official visit to the Republic of Korea on 6 and 7 September 1960.

This supplement to the annual report of the Commission is transmitted to the Secretary-General for submission to the General Assembly at its fifteenth regular session pursuant to the provisions of subparagraph 2 (c) of resolution 376 (V) of 7 October 1950.

DONE at Hakone, Japan, this eighteenth day of September, one thousand nine hundred and sixty.

(Signed) A. J. MELHUISE, *Australia*
R. SUAREZ BARROS, *Chile*
N. A. J. DE VOOGD, *Netherlands*
Mohammed ALI, *Pakistan*
Juan M. ARREGLADO, *Philippines*
Sawat BUSPAROEK, *Thailand*
Muammer BAYKAN, *Turkey*

David HALL
Principal Secretary