

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

#### **GENERAL ASSEMBLY**

OFFICIAL RECORDS: TWENTY-SEVENTH SESSION SUPPLEMENT No. 27 (A/8727)

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#### **UNITED NATIONS**

New York, 1972

#### NOTE

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/Original: English/

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#### LETTER OF TRANSMITTAL

Seoul, 18 August 1972

Excellency,

I have the honour to inform Your Excellency that the report of the United Nations Commission for the Unification and Rehabilitation of Korea, covering the period from 6 August 1971 to 18 August 1972, was signed today and is being dispatched by air mail. It is submitted to you in accordance with paragraph 5 of General Assembly resolution 2668 (XXV) of 7 December 1970.

Accept, Excellency, the assurances of my highest consideration.

(<u>Signed</u>) Benjamin T. TIRONA Chairman

His Excellency
Mr. Kurt Waldheim
Secretary-General of
the United Nations
United Nations Headquarters
New York

#### INTRODUCTION

The present report of the United Nations Commission for the Unification and Rehabilitation of Korea, covering the period from 6 August 1971 to 18 August 1972, is submitted to the Secretary-General in accordance with paragraph 5 of General Assembly resolution 2668 (XXV) of 7 Recember 1970. It should be read in conjunction with the previous report to the General Assembly, dated 5 August 1971. 1/

<sup>1/</sup> Official Records of the General Assembly, Twenty-sixth Session, Supplement No. 27 (A/8427).

## I. OBJECTIVES OF THE UNITED NATIONS IN KOREA, AND TERMS OF REFERENCE AND ACTIVITIES OF THE COMMISSION

#### A. Objectives of the United Nations in Korea

1. The principal objectives of the United Nations in Korea are 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. These objectives have been repeatedly affirmed by the General Assembly in a number of resolutions, the latest being resolution 2668 (XXV) adopted on 7 December 1970. Because the purposes and instrumentalities of the United Nations in Korea have thus been strongly and consistently supported, it has been possible to maintain an effective countervailing influence against any resumption of hostilities on the Korean peninsula.

#### B. Terms of reference of the Commission

- 2. The United Nations Commission for the Unification and Rehabilitation of Korea was created by General Assembly resolution 376 (V) of 7 October 1950 as the principal representative of the United Nations in Korea. 2/ As such, the Commission has, inter alia, represented the political presence of the United Nations in Korea.
- 3. Composed of Australia, Chile, the Netherlands, Pakistan, the Philippines, Thailand and Turkey, the Commission, in addition to its regular mandate, was to assume the functions previously exercised by its predecessor, the United Nations Commission on Korea 3/ and to represent the United Nations in bringing about the establishment of a unified, independent and democratic government of all Korea.
- 4. As a matter of internal organization, the Commission established, as from 1 January 1956, a Committee consisting of the representatives of Australia, the Philippines, Thailand and Turkey, with authority to act on behalf of the Commission in pursuit of the latter's objectives in Korea. This was a matter for the convenience of the Commission, enabling it to meet more regularly, since the four Committee members were residents of Seoul. In 1968, the Commission decided to include the alternate representative of the Netherlands, who resides in Seoul, in the Committee. In December 1969 the alternate representative of Chile was also included in the Committee, since he had become resident in Seoul. The Commission has continued to meet but, for the reasons of convenience mentioned, less frequently than the Committee.

<sup>2/</sup> General Assembly resolution 376 (V) of 7 October 1950, para. 2 (a) (ii). See also resolution 410 A (V) of 1 December 1950, seventh preambular paragraph.

<sup>3/</sup> See General Assembly resolutions 195 (III) of 12 December 1948 and 293 (IV) of 21 October 1949.

5. In a letter dated 14 November 1970 (A/8168), the Permanent Representative of Chile to the United Nations informed the Secretary General of his Government's decision to withdraw from the Commission. The last session of the Commission attended by the representative of Pakistan was in August 1967.

#### C. Activities of the Commission

- 6. During the period under review the Commission, and the Committee acting on its behalf, have been active in efforts to promote United Nations objectives in Korea and to seek an early and proper settlement of the Korean question. This was naturally subject to limitations imposed upon the Commission by the continued non-acceptance by the Democratic People's Republic of Korea of the principles and resolutions of the United Nations on the unification of Korea.
- 7. In this connexion, in an address on 24 October 1971 on the occasion of United Nations Day at Seoul, the Chairman of the Commission made the following statement: "I take this opportunity solemnly to address a plea to Pyongyang to accept the posture of the United Nations on Korea for the peaceful and democratic unification of the two halves of this land under the impeccable scrutiny and dedicated objectivity of the Organization." Earlier in the same address, the Chairman referred to the political presence of the United Nations in Korea in the following terms: "Pending the advent of reliable international machinery as might capably preclude a political vacuum, UNCURK must persevere and function in the quest and along the example of its present mission. Its mere availability for realistic presence, particularly for the purpose of instant reporting, is indeed indispensable." The Commission fully endorses the aforesaid views.
- 8. Pursuant to its mandate, the Commission has continued, inter alia, to be available for observation purposes and for consultation in matters of security and in the development of representative government in Korea. It has followed attentively political developments in the Republic of Korea and has travelled and consulted freely. The Commission's activities during the period under review have included field trips involving observation of developments in the security, political and economic spheres. Upon the invitation of the Government of the Republic of Korea, the Commission observed the by-election in the Talsong Koryong districts in Kyungsang Pukdo that was held on 14 December 1971. (There were no other elections during the period.)
- 9. It may be useful at this point to recall the terms of the most recent resolution of the General Assembly, namely resolution 2668 (XXV) of 7 December 1970. The Commission was requested: to encourage the exercise of restraint and the easing of tensions in the area; to secure maximum support, assistance and co-operation in the realization of the peaceful reunification of Korea; to pursue those and other efforts to achieve the objectives of the United Nations in Korea; to continue to carry out the tasks previously assigned to it by the General Assembly; and to keep members of the Assembly informed on the situation in the area and on the results of those efforts through regular reports submitted to the Secretary-General, and to the General Assembly as appropriate.
- 10. During the period under review, the Commission held four sessions: two in Japan, in December 1971 and June 1972; and two in Seoul, in March and August 1972. Meanwhile, the Committee held 37 meetings in Seoul. In addition, the Commission received a number of briefings, consulted with government officials and others, and made observation trips throughout the Republic of Korea.

#### II. THE QUESTION OF UNIFICATION

#### A. Introduction

11. The most important event in the period under review was the simultaneous announcement in Seoul and Pyongyang on 4 July 1972 of a South-North Joint Communiqué, which may profoundly influence the history of Korea in so far as it may represent a positive step towards unification and the establishment of a secure peace in the Korean peninsula. The result of secret direct talks, covering reciprocal visits by high ranking officials to the north and south, the Communiqué has equally surprised, impressed and encouraged all concerned. The text of the document is given in annex I.

# B. Views of the Republic of Korea and the Democratic People's Republic of Korea on unification prior to the issue of the South-North Joint Communiqué

- 12. On 30 March 1972, in an address before the Military Academy of the Republic of Korea at its 1972 Commencement ceremony, President Park Chung Hee stated that an unequivocal renunciation of the use of force by the Democratic People's Republic of Korea was an essential prerequisite for the unification of Korea. He said that in addition North Korea would have to dismantle and withdraw immediately all the military positions and troops deployed in the Demilitarized Zone: put an immediate stop to infiltration of armed agents into the south; dissolve all non-regular special units giving training to the agents; facilitate the immediate return of the hijacked Korean Airlines aircraft and repatriate its crew members and passengers; similarly repatriate and return all captured South Korean fishermen and their fishing boats; and demonstrate their sincerity in the Red Cross talks by accepting the proposals of the South Korean Red Cross as soon as possible.
- 13. In separate interviews granted to Yomiuri Shimbun of Japan, The New York Times and The Washington Post in the course of the year 1972, the Premier of the Democratic People's Republic of Korea, Mr. Kim Il Sung, stated that the main prerequisite for achieving unification was the removal of tension in the peninsula by replacing the Korean Armistice Agreement with a formal peace agreement between South and North Korea, followed by the withdrawal of United States forces from the South and a drastic reduction in the armed forces of the two sides. He said he was willing to meet President Park Chung Hee of South Korea for summit talks on the demilitarization of the Buffer Zone along the Panmunjom armistice line and on a reduction of the armed forces of North and South Korea by between 150,000 and 200,000 men. He said this was to be followed by a "no-war" agreement between the two sides and finally by a further troop reduction to a common level of 100,000 men or fewer, on the condition that the United Nations forces were withdrawn from South Korea. He suggested that practical steps towards unification should involve the exchange of mail, mutual visits, initiation of trade contacts, co-operation in economic development, cultural exchanges, the exchange of visits by parliamentarians, scientists and

political figures, and negotiations between the respective political parties and social organizations of North and South Korea. He proposed that, pending unification, the two countries create a confederation and form a supreme national committee to discuss matters of common concern, while at the same time retaining their respective social systems.

#### C. South-North Joint Communiqué

14. The South-North Joint Communiqué was released simultaneously in Seoul and Pyongyang on 4 July 1972. Upon receiving the text of the Communiqué, along with pertinent information from officials of the Republic of Korea, the Commission issued the following press release:

"The United Nations Commission for the Unification and Rehabilitation of Korea welcomed the South-North Joint Communiqué released in Seoul and Pyongyang on 4 July 1972.

"The Commission noted favourably the resolve of the two parties set out in the Communiqué to ease tension in the area and to make progress towards the peaceful unification of Korea, and expressed its own strong hope that progress towards that objective might indeed be made.

Recalling the several favourable references it has made to the Red Cross talks, the Commission expressed its satisfaction not only that the Red Cross talks were to be continued, but that at the same time a foundation had been laid for negotiations of substantially greater scope and significance. The Commission affirmed that the expressed purpose of those negotiations was fully consistent with the policy of the United Nations in Korea.

"The Commission made clear its continuing readiness to assist in any possible way achievement of the aim of peaceful unification of Korea in accordance with the mandate given it by the United Nations General Assembly."

15. The United Nations posture on the Korean question is such that efforts by the Organization and bilateral Korean negotiations are not mutually exclusive and may complement one another. The two can be pursued separately or simultaneously, so long as they aim at peaceful and democratic unification. The Commission, with its well-drawn, powerful yet flexible mandate from the General

- Assembly, 4/ remains available to help bring about a settlement of the Korean question.
- 16. The Commission stresses the contribution of the United Nations over the years, as represented by its political presence in Korea, which has helped to preserve peace in the peninsula. The maintenance of peace in Korea since 1953 is one of the most notable achievements of the United Nations.
- 17. Credit for the maintenance of peace can be variously attributed to the machinery of the Armistice Agreement, with its regular and patient meetings even in times of acute tension, to the efforts of the Neutral Nations Supervisory Commission, and finally to the continuing presence of the military deterrent against renewed hostilities in the form of the United Nations Command.
- 18. The South-North Joint Communiqué is a joint statement of intention only. Although it is reasonable to entertain hopes of progress, there has not as yet been any concrete follow-up to the Communiqué. The agreement establishes general principles for closer co-operation between North and South Korea, but no machinery for consultation has been set up and no substantive negotiation has taken place. It is not a substitute for the international political and military presence of the United Nations in Korea, nor does it detract from the importance of and the need for that presence. On the contrary, it contributes towards the aims of the United Nations in Korea by bringing the two sides closer together in a move towards the eventual goal of peaceful and democratic unification. The talks which follow the agreement are expected to lead to positive steps towards a settlement. The United Nations presence will be necessary until events have developed and concrete results have emerged from the embryonic dialogue which has begun between North and South. The United Nations presence will not jeopardize the exploitation of such options as may arise to make progress towards a settlement.

Paragraph 1 (c) of the resolution states that the Commission is to:

"Have authority, in order to accomplish the aims defined under sub-paragraphs (a) and (b) of the present paragraph, in its discretion to appoint observers, and to utilize the services and good offices of one or more persons whether or not representatives on the Commission."

/Underlined for emphasis./

<sup>4/</sup> In fact, in General Assembly resolution 376 (V), the United Nations Commission for the Unification and Rehabilitation of Korea was accorded, inter alia, the task of assuming the functions hitherto exercised by the United Nations Commission on Korea. The functions of the United Nations Commission in Korea were set out in paragraph 1 of General Assembly resolution 293 (IV) of 21 October 1949. Paragraph 1 (b) of that resolution states that the Commission shall:

<sup>&</sup>quot;Seek to facilitate the removal of barriers to economic, social and other friendly intercourse caused by the division of Korea; and make available its good offices and be prepared to assist, whenever in its judgement a favourable opportunity arises, in bringing about the unification of Korea in accordance with the principles laid down by the General Assembly in the resolution of 14 November 1947." /Underlined for emphasis./

- 19. The United Nations presence in the peninsula so far has ensured peace and stability, without which there could have been no prospect of resolving the longstanding and dangerous differences between South and North Korea. The Red Cross talks on humanitarian matters and the subsequent more recent manifestations of political dialogue are also based on the achievements of the United Nations presence in Korea.
- 20. Much can be said by way of an assessment of the contents and implications of the Communiqué. However, since the text is generally self-explanatory, the Commission will confine itself, at this stage, to general observations.
- 21. The agreement to pursue "peaceful means" and not resort to force is basic and must be affirmed and reinforced. The agreement not to engage in abusive language or armed provocation and to take measures to prevent inadvertent military incidents is similarly basic and indispensable.
- 22. The agreement to co-operate positively to seek the early success of the South-North Red Cross talks is commendable, progress in those talks being recognized by both sides as the stepping stone to progress in other matters.
- 23. The installation of a direct telephone line between Seoul and Pyongyang has already been completed, denoting the actual implementation of one of the fundamental points. This communication link may indeed help to avert dangerous incidents.

# D. Statements by the Republic of Korea and the Democratic People's Republic of Korea following the issue of the Joint Communique

#### 1. Statements by the Republic of Korea

- 24. During parliamentary interpellations in the National Assembly of the Republic of Korea, from 5 to 11 July 1972, the Prime Minister, Mr. Kim Jong Pil, further elaborated on the Joint Communiqué and, inter alia, made the following points:
  - -- The Government's unification policy remained unchanged, namely it would seek to achieve unification through a general election under the supervision of the United Nations.
  - The Government of the Republic of Korea did not consider the United Nations presence in Korea, in the form of the United Nations Commission for the Unification and Rehabilitation of Korea and the United Nations Command, as an "external force".
  - The Government of the Republic of Korea could not agree to unification under a confederation between South and North Korea as proposed by the Democratic People's Republic of Korea and neither could it sign a non-aggression pact with the North.
  - The Government intended to pursue the goal of unification through a gradual step-by-step approach and, therefore, it could not predict when general elections could be held in order to achieve unification.

- The Joint Communiqué constituted only a first step along the road to peace.
- The Joint Communiqué could not be considered a bilateral treaty, because the Government did not recognize North Korea as a State.
- The Government would seek the approval of the National Assembly before proceeding further, if and when the South-North contacts reached a stage where unification seemed a distinct possibility.
- 25. On 22 July 1972 the opposition New Democratic Party issued an official statement strongly critical of the Joint Communiqué. It stated that the proviso calling on both sides not to undertake armed provocation and to try to achieve unification without external interference would render South Korea vulnerable to North Korea's deceptions. It said that the Joint Communiqué, by recognizing the concept of two Koreas, could hamper South Korea's efforts to achieve national unification. The statement asserted that the New Democratic Party would continue to oppose the Joint Communiqué until the party's unification policy was realized or until the Government presented a more realistic formula on unification. In announcing the above statement, the President of the New Democratic Party, Mr. Kim Hong II, stated that his party's policy on Korean unification remained unchanged, namely to achieve unification through the Republic of Korea's own initiative, independently but with the support of the United States, Japan, the Soviet Union and China.
- 26. On the occasion of the twenty-seventh anniversary of national liberation, on 15 August 1972, President Park Chung Hee, addressing himself to "fifty million brethren of South and North", expressed his conviction that the task of national unification should and could be achieved through the independent efforts of the Korean people. He called upon the people for their whole-hearted support for the North-South dialogue so that "the day of unification under democracy can be brought closer", an event which, he predicted, would come "in the not too distant future". He observed that South and North Korea were "one entity with a common destiny, bound by one language, by one history and by the same ethnic origin", and remarked: "ideology changes, the nation endures". In conclusion, he urged the peoples and countries of the world to render positive support for the achievement of Korean unification through independent efforts.

#### 2. Statements by the Democratic People's Republic of Korea

27. A broadcast by the Korea Central News Agency from Pyongyang on 4 July 1972 introduced the announcement of the Joint Communiqué as follows:

"North-South high level talks were held recently in Pyongyang and Seoul for an improvement in the abnormal situation caused by the territorial division and national split and for the independent peaceful reunification of the country, reflecting the unanimous aspiration and desire of the whole nation.

"At the talks in Pyongyang and Seoul that followed preliminary contacts between the liaison delegates of the two sides for some time, a complete accord of opinions was reached on the three principles of the country's

reunification laid down by the great leader comrade Kim Il Sung and agreements were reached on a number of questions for promoting the independent peaceful reunification of the country, including the question of forming a North-South Coordinating Committee put forward by the leader."

28. At a press conference in Pyongyang on 4 July after the announcement, the Second Vice-Premier, Mr. Park Sung Chul, who visited Seoul for the secret talks at the end of May, reportedly stated that the rejection and removal of the interference of outside forces was the most important element for the settlement of the question of unification.

#### III. RED CROSS TALKS

#### A. General

- 29. On 20 September 1971, the Red Cross societies of the Republic of Korea and the Democratic People's Republic of Korea met at Panmunjom in the first official contact between the two halves of the peninsula for over two decades. The prospect of a progression towards lessening tension and eventual possible settlement on the peninsula, which was one of the stated reasons for the postponement of consideration of the Korean items at the twenty sixth session of the General Assembly, was to a significant extent realized with the announcement of political and other contacts between North and South in the Joint Communiqué of 4 July 1972.
- 30. The talks began with preliminary meetings, and at the nineteenth such meeting, on 17 February 1972, it was agreed to hold closed working-level sessions. After 13 working-level sessions, the preliminary meetings resumed and at the twentieth preliminary meeting an agenda was agreed for full-dress talks. Five more preliminary meetings and three working meetings were held before agreement was reached to open the formal talks in Pyongyang on 30 August 1972, to be followed by a session at Seoul on 13 September. It had been agreed earlier that the meeting site would alternate between the two cities.
- 31. The Commission on several occasions expressed approval of these North-South contacts, both in view of their humanitarian objective of reuniting separated families and because of the possibility that contact between non-political instrumentalities of the Republic of Korea and the Democratic People's Republic of Korea might lead to political contacts.
- 32. The Neutral Nations Supervisory Commission provided its conference site at Panmunjom for use of the two Red Cross organizations, thus solving the possibly contentious question of a meeting site for the preliminary talks.

#### B. Developments concerning the talks

- 33. In a letter dated 12 August 1971, the President of the National Red Cross of the Republic of Korea, Mr. Choi Doo Sun, proposed to the Red Cross Society of the Democratic People's Republic of Korea that the two sides hold direct talks in the near future on the launching of a campaign to trace members of separated families in South and North Korea and organize an exchange of news and information regarding each of the estimated 10 million members of separated families, and on the use of good offices for their reunion. In that regard, he proposed that a preliminary meeting of the two sides be held at Geneva, Switzerland, by October 1971, to discuss procedural matters.
- 34. In a reply dated 14 August 1971, addressed to the president of the South Korean National Red Cross, the Chairman of the Central Committee of the North Korean Red Cross Society stated that the South Korean proposal was in accord with

the proposals advanced by the Government of the Democratic People's Republic of Korea to unite separated families and to achieve the reunification of divided Korea. He proposed that the preliminary talks be held in September, and at Panmunjom rather than Geneva.

- 35. The reply was accepted by the South Korean Red Cross and the two sides convened their first preliminary meeting on 20 September 1971, in the Neutral Nations Supervisory Commission conference room at Panmunjom.
- 36. The two sides agreed that the preliminary meetings would continue to be held in the conference room and that both sides would establish liaison offices in the Joint Security Area at Panmunjom and would install a direct telephone line between the two liaison offices. They also decided that the telephone line would be used to arrange the next preliminary meeting.
- 37. In the course of the preliminary meetings, an apparent impasse developed between the two sides on the issue of the agenda for the contemplated formal talks. With a view to overcoming that difficulty, the two sides agreed at the nineteenth preliminary meeting, on 17 February 1972, to form a working committee which would conduct its business in closed meetings.
- 38. The working committee held 13 meetings, from 21 February 1972 to 6 June 1972. After an initial deadlock at this level, the two sides reached agreement on the agenda at the 13th meeting, following which the talks reverted to the preliminary level. On 16 June, at the 20th preliminary meeting, the parties endorsed the agreement on the agenda for the formal talks.
- 39. The five-point agenda is as follows:
  - (1) The question of tracing and notifying the whereabouts and fate of members of the dispersed families and relatives in the South and North;
  - (2) The question of facilitating free visits and meetings between members of dispersed families and relatives in the South and North;
  - (3) The question of facilitating free exchange of correspondence between them:
  - (4) The question of their reunion;
  - (5) Other humanitarian matters.
- 40. At the 23rd preliminary meeting, held on 19 July, the two sides agreed in principle to open the formal talks on 5 August 1972. However, the opening of the talks was delayed pending agreement on certain procedural matters. Agreement was reached at subsequent working-level sessions and endorsed at the 25th preliminary meeting, held on 11 August. Agreement on procedural matters included the following points:
  - Formal talks to open at Pyongyang on 30 August 1972, and the second round of the formal talks to be held at Seoul on 13 September 1972.

- The guest party to the talks to be permitted to bring seven delegates, seven consultants and 20 attendants, and a group of 20 domestic newsmen. Foreign newsmen may be invited by the host party.
- The floor to be taken at sessions by the chief delegates of the respective delegations. Other delegates to be authorized to speak in case of necessity.
- /There was failure to agree on whether or not consultants would be authorized to speak at the main sessions. It was decided to resolve this question at a later date./
- In principle, sessions to be held behind closed doors, unless otherwise agreed between the two sides. Meetings on the opening days of the first and the second sessions, however, to be open to the public.
- The duration of each session to be a minimum of four days and a maximum of six days.
- Both sides to provide 20 telephone lines linking Seoul and Pyongyang for communication purposes and to activate the direct telephone lines connecting Seoul and Pyongyang at a convenient site in Panmunjom.

#### C. Observations

41. Developments in political contact and discussion on humanitarian matters are likely to be closely related. Point 4 of the Joint Communiqué in fact states that "the two sides have agreed to co-operate positively with each other to seek early success of the South-North Red Cross talks, which are underway with the fervent expectations of the entire people". Because of the relationship between these two forms of contact, the possibility exists that substantial disagreement in one might hinder progress in the other. In what is still a fragile situation, there is a need, both in the peninsula and internationally, to avoid any disturbance of the favourable atmosphere which permitted the achievement of the present degree of détente and sustains the expectation of further progress.

#### IV. EXTERNAL RELATIONS OF THE REPUBLIC OF KOREA

#### A. General

- 42. During the period under review, the entry of the People's Republic of China into the United Nations and President Nixon's visit to that country and to the Soviet Union, and the impact of changing great Power relationships on Asia played a major role in reshaping and bringing greater flexibility to the foreign policy of the Republic of Korea.
- 43. The new flexibility, stemming from the Government's desire to tailor its foreign policy to changing times, was dramatically illustrated by the participation of the Government of the Republic of Korea in the secret negotiations leading to the South-North Joint Communiqué of 4 July 1972. This event arrived in the wake of President Park Chung Hee's speech at the seventh annual ministerial meeting of the Asian and Pacific Council, held at Seoul on 14 June, wherein he called upon Pacific and Asian nations to resolve their differences not through confrontation but through dialogue. The President proposed that other countries in the region be invited to join the Asian and Pacific Council, regardless of their ideological and political systems, inasmuch as the Council was a non-political and non-military regional organization.
- 44. Another foreign policy goal of the Government continues to be the strengthening of relations with friendly countries, particularly the United States and Japan. At the same time, the Government has embarked upon a policy to establish relations with "non-hostile socialist countries" for the purpose of conducting trade and other exchanges.
- 45. With regard to the Korean question at the United Nations, the Republic favours further postponement of the debate in the General Assembly at its twenty-seventh session. On 27 July 1972, the Minister for Foreign Affairs, Mr. Kim Yong Shik, stated that a debate on the Korean question at the twenty-seventh session of the United Nations General Assembly would revive cold war polemics and obstruct a smooth and successful progress of the North-South dialogue. He consequently urged a further deferment of debate in the General Assembly. In the same vein, the Prime Minister, Mr. Kim Jong Pil, at a meeting with the visiting Permanent Representative of the Philippines to the United Nations, held on 1 August, confirmed that view and expressed the hope that the United Nations would "support us by providing enough time to settle the issue ourselves".
- 46. Meanwhile, the Republic of Korea remains opposed to a "two Koreas" solution to the question. At a press conference on 11 January 1972, President Park Chung Hee stated that his Government was opposed to the simultaneous admission of North and South Korea to the United Nations on the ground that separate admission would jeopardize unification.
- 47. Following President Nixon's visit to the People's Republic of China, the Minister for Foreign Affairs stated on 28 February 1972 that the Government

of the Republic of Korea welcomed the United States' expression of support for his country's position on the Korean question in the Joint Communiqué issued by the United States and the People's Republic of China on 27 February, and the reaffirmation therein of United States willingness to continue to abide by mutual defence commitments existing between the Republic of Korea and the United States. He expressed the hope that President Nixon's visit to China would help ease tensions in Asia, including the Korean peninsula.

#### B. Diplomatic and consular relations

- 48. The Republic has established or agreed to establish diplomatic and/or consular relations with 92 States, of which 87 are members of the United Nations. A list of the States with which such relations are currently maintained appears in annex II.
- 49. The Republic continues to maintain an office of Permanent Observer to the United Nations in New York, a Permanent Delegation to International Organizations in Geneva and an office of Permanent Observer to the United Nations Office at Geneva. It also continues to maintain a mission to the European Economic Community (Brussels).

#### C. International agreements

50. The total number of international agreements that have been signed by the Republic of Korea since its establishment and/or have come into effect since then stands at 442. A list of agreements that were signed or came into effect during the period under review is given in annex II.

## D. <u>Participation in international meetings</u> and <u>conferences</u>

51. During the period under review, the Republic participated in many international conferences and meetings. (See annex II.)

# E. Exchange of visits between leaders of the Republic of Korea and of foreign Governments

- 52. Members of the Government of the Republic of Korea making official visits abroad during the period under review included the Prime Minister, Mr. Kim Jong Pil, who paid an eight-day official visit to the Republic of Viet-Nam and a six-day visit to Iran.
- 53. The Minister for Foreign Affairs, Mr. Kim Yong Shik, paid official visits to the United States, Argentina, Chile, Peru, Malaysia, Indonesia and Thailand, and at the signing of this report had left on official visits to India and the Philippines. In addition, the Government dispatched goodwill delegations to countries in Africa, Latin America and Asia.

## F. Membership in international and non-governmental organizations

- 54. While the Republic of Korea is not a member of the United Nations, it is a member of the following United Nations agencies: the Food and Agriculture Organization of the United Nations, the United Nations Educational, Scientific and Cultural Organization, the World Health Organization, the International Bank for Reconstruction and Development and its affiliates (the International Finance Corporation and the International Development Association), the International Monetary Fund, the International Civil Aviation Organization, the International Telecommunication Union, the Universal Postal Union, the World Meteorological Organization, the Inter-Governmental Maritime Consultative Organization and the International Atomic Energy Agency.
- 55. The Republic is also a member of the United Nations Children's Fund, the United Nations Development Programme, the United Nations Conference on Trade and Development and the Economic Commission for Asia and the Far East.
- organizations: the General Agreement on Tariffs and Trade, the International Rice Commission, the International Wheat Council, the International Cotton Advisory Committee, the International Hydrographic Bureau, the International Tin Council, the International Bureau of Education, the Colombo Plan, the Afro-Asian Rural Reconstruction Organization, the Asian and Pacific Council, the International Centre for the Study of the Preservation and the Restoration of Cultural Property, the International Commission for the Conservation of Atlantic Tunas and the Asian African Legal Consultative Committee.

#### V. REVIEW OF SECURITY PROBLEMS IN THE REPUBLIC OF KOREA

#### A. General

- 57. The period under review was initially characterized by a fear of renewed hostilities in the Korean peninsula either by design or through inadvertence. However, the number of reported incidents along the Demilitarized Zone and the number of engagements involving forces of the Republic of Korea and alleged North Korean agents in the rear areas of the Republic showed a sharp reduction. No significant event was reported in either category after the end of October 1971.
- 58. The absence of incidents coincided with favourable developments in the Red Cross talks and the secret negotiations leading up to the announcement of the Joint Communiqué of 4 July 1972. Despite these encouraging developments, however, a relatively high degree of tension and mutual suspicion persisted in both parts of the peninsula.
- 59. During the period, the Republic of Korea remained determined to maintain its national security and defence posture through continued reliance on the United Nations political and military presence and its treaty relations with the United States.
- 60. In order to maintain a stance of alertness in the nation against possible invasion or subversion, the Republic also resorted to the declaration of the state of national emergency and the ensuing Special Measures Law for National Security and Defence.

#### B. Level of incidents 1971-1972

61. The following table, based on information received from the United Nations Command, illustrates the declining level of incidents over the past few years. The year 1972, until the signing of the report, witnessed no incidents whatsoever.

	1969	1970	1971	1972
Significant incidents south of the Military Demarcation Line in the Demilitarized Zone	87	66	37	0
Significant incidents in the interior of the Republic of Korea	24	47	10	0
Exchanges of fire in the Demilitarized Zone	55	42	31	0
Exchanges of fire in the interior of the Republic of Korea	22	26	6	0
North Koreans killed in the Republic of Korea	55	46	34	0

	1969	1970	1971	1972
North Koreans captured in the Republic of Korea	6	3	2	0
United Nations Command military personnel killed in the Republic of Korea	15	9	22	0
United Nations Command military personnel wounded in the Republic of Korea	44	22	47	. 0
Republic of Korea National Police and other civilians killed in the Republic of Korea	19	7	. 8	0
Republic of Korea National Police and other civilians wounded in the Republic of Korea	17	17	6	0

#### C. Violations of the Armistice Agreement

62. The following is a summary of the more serious incidents during the period under review, based on information made available to the Commission by the United Nations Command:

#### 1. Infiltrations by land

- (a) Or 16 August 1971, five North Korean armed intruders engaged United Nations Command personnel, who were performing routine duties south-east of the Military Demarcation Line, in a firefight. All five intruders were killed in the encounter.
- (b) On 18 August 1971, two North Korean infiltrators were sighted on the Island of Kangwha and killed during the ensuing firefight.
- (c) On 20 August 1971, three North Korean armed infiltrators were sighted north-west of Chunchon and killed in the ensuing firefight.
- (d) On 27 August 1971, three North Korean armed intruders were sighted on the south bank of the Imjin River in the Republic of Korea and were killed during the ensuing firefight. During the search operation phase, North Korean troops, manning machine-guns illegally introduced into the Demilitarized Zone, fired these weapons into the search area as well as at the Republic of Korea positions in the United Nations Command portion of the Demilitarized Zone. Two children were wounded by North Korean bullets near their home in the village of Ogum-ni and one subsequently died of its wounds. On the following day, another North Korean armed infiltrator was sighted in the same general vicinity and killed after an exchange of fire.
- (e) On 17 September 1971, a number of North Korean armed infiltrators were sighted near the village of Chwadong on Kimpo Peninsula and three of them were killed in the ensuing firefight. Six United Nations Command military personnel and three civilians, including one child, were killed in the encounter.

(<u>f</u>) On 25 October 1971, two North Korean armed intruders were sighted by the United Nations Command defence forces east-north-east of the Military Demarcation Line. Both were killed in the encounter.

#### 2. Infiltrations by sea

- (a) On 13 September 1971, two North Korean armed agents were discovered by United Nations Command defence forces south of Kimpo along the south-east coast of Korea and both agents were killed. During the encounter, two United Nations Command defence personnel were wounded.
- (b) On 29 October 1971, a North Korean agent boat was intercepted near Sohosa Island, west of Kwangju. Four North Korean infiltrators aboard the agent boat fled to the island and all were killed in the subsequent encounter.

#### 3. Other violations of the Armistice Agreement

- 63. According to information received from the United Nations Command, North Korea has, since August 1971, been constructing a barrier-type fence and fortifying positions within its portion of the Demilitarized Zone in the western sector, in violation of the Armistice Agreement. The total length of fence completed is reported to be approximately 80 kilometres. Basic details concerning the construction of the fence are given as follows:
- $(\underline{a})$  Fence posts are approximately 6 to 8 feet high and made of concrete or wood.
- (b) Horizontal and vertical barbed wire strands are arranged to form 6- to 8-inch squares.
  - (c) Certain areas of fence have overhangs facing to the south.
- $(\underline{d})$  The fence is located on the forward or, in some cases, the centre portion of a cleared strip of land 10 to 30 metres wide.
- (e) Portions of the fence have insulators on the lower half of the poles, indicating that the fence may be electrified.
- $(\underline{f})$  The fence is located forward of existing North Korean guard posts and is capable of being observed and covered by fire from these fortified positions.

#### D. Espionage cases

64. During the period under review, the authorities of the Republic of Korea made several announcements regarding the discovery and arrest of alleged North Korean espionage agents. Charges against them included the act or intent of creating social unrest and public disorder, instigating student demonstrations, spreading rumours, organizing underground cells in preparation for guerilla activities, paralyzing military command channels, destroying major facilities or assassinating government officials. These announcements were made in each case by the authorities concerned, including the Army Security Command, the Counter-Espionage Operations Headquarters, the National Police Headquarters and the Central Intelligence Agency.

65. During the period covered by this report, some of those arrested were brought to trial. Verdicts ranged from acquittal to the death penalty.

#### E. Seizure of South Korean fishing boats

- 66. On several occasions, ranging from August 1971 to May 1972, authorities announced the seizure of South Korean fishing boats and their crews by North Korean gunboats.
- 67. During the period under review, the Maritime Police announced the return of several boats and crews that had been taken to the Democratic People's Republic of Korea between May and June 1971.

#### VI. POLITICAL DEVELOPMENTS IN THE REPUBLIC OF KOREA

#### A. General

- 68. The major development in the period under review was the establishment of contact between the two halves of the Korean peninsula, beginning with the proposal announced on 12 August 1971 by the president of the National Red Cross of the Republic of Korea that the two Red Cross organizations meet to discuss humanitarian matters arising from the division of the country since the Korean war, and concluding with the South-North Joint Communiqué released on 4 July 1972, which announced the agreement on political contact between North and South Korea.
- 69. In a background explanation immediately following the announcement of the Joint Communiqué, the Director of the Central Intelligence Agency of the Republic of Korea, Mr. Lee Hu Rak said that the primary reason for initiating contact was the Republic's conviction that a move was necessary to "forestall the tragedy of war". Mr. Lee stated that his agency had advised the Government towards the end of 1971 that North Korea had completed war preparations and it was as a consequence of this assessment that the President had declared a state of national emergency on 6 December 1971 and had requested the complementary Special Measures Law for National Security and Defence, which was passed in the National Assembly on 27 December 1971.
- 70. The declaration of the state of national emergency was justified on the grounds that the trend towards international <u>détente</u> might lull both the Republic of Korea and its allies into a false sense of security and it was accordingly necessary to institute a state of alertness. A booklet issued by the Ministry of Culture and Information, giving the background to the declaration, quoted the words used in the National Assembly by the Prime Minister, Mr. Kim Jong Pil, to describe the North Korean threat: it was, he had said, like masses of water building up behind a dam; there was no outward sign of 1, and no warning when the cataclysm was about to burst forth. The booklet explate that the President had acted to protect national security in a crisis situation in accordance with his constitutional powers.
- 71. The passage of the Special Measures Law was strongly resisted by the New Democratic Party and the conflict between the two major parties resulting from the passage of the Law on 27 December 1971 paralysed the operation of the National Assembly for the next six months. The Assembly deliberations resumed on 3 July 1972, on the eve of the announcement of the Joint Communiqué.
- 72. Following the resumption of the National Assembly in July 1972, a debate on the Special Measures Law ensued, during which the Prime Minister defended the legislation as both constitutional and necessary and asserted that its justification had not diminished following the South-North Joint Communique.
- 73. The tension prevailing in the peninsula at the time of the declaration of the state of national emergency was reflected in the first part of 1972 in major speeches by the President and Cabinet Ministers, which drew attention to North

Korean moves to fortify the Demilitarized Zone in violation of the Armistice Agreement. Most speakers contrasted these hostile acts with what the Minister for Foreign Affairs described on 15 March 1972 as North Korea's "meticulously planned peace offensive". The interviews of Japanese and American journalists with the Premier of the Democratic People's Republic of Korea, Mr. Kim Il Sung, and some appearance of a conciliatory attitude towards Pyongyang by both Japan and the United States, produced a sharp reaction in the Republic of Korea up to, and beyond, the announcement of political talks on 4 July 1972.

74. The period under review has therefore been characterized by contradictory trends towards both increased and reduced tension. The contradictions have not been resolved by the public announcement of the North-South talks on 4 July, and statements made at both Pyongyang and Seoul after the announcement have indicated that the two sides are still far apart and that each still retains considerable suspicion of the other.

# B. Declaration of a state of national emergency and adoption of the Special Measures Law for National Security and Defence

- 75. On 6 December 1971, President Park Chung Hee declared a state of national emergency in the Republic of Korea. The declaration, which followed a joint session of the State Council (Cabinet) and the National Security Council, stated that the step was taken in consideration of the critical need to reshape the country's defence posture in the light of preparations launched by North Korea for an invasion of the Republic of Korea and the entry of the People's Republic of China into the United Nations. The presidential declaration proclaimed a six-point emergency guideline, stating that the Government would give top priority to matters of national security and, inter alia, calling upon the people to shoulder their share of the burden of ensuring national security and to that end, to concede some of the freedom that they enjoyed, if the need arose.
- 76. In a special statement justifying the declaration of the state of national emergency, President Park observed that the nuclear stalemate had compelled the big Powers to maintain the status quo in world affairs and that, as a result, the general trend in international relations was moving towards peace and negotiation and away from confrontation. The same, however, was not true of the Korean peninsula, where North Korea was continuing its war preparations against the Republic of Korea and was bent on unifying the country by force. He noted that while the People's Republic of China had unreservedly supported North Korea's demand for the immediate withdrawal of the United Nations forces and the dissolution of the United Nations Commission for the Unification and Rehabilitation of Korea, the United States was finding it increasingly difficult to provide the same level of support to the Republic of Korea's national security. He stated that the question of a further reduction of United States troops had already been raised in the United States and heated debates had taken place in the United States Senate on the Foreign Aid Bill. This, he said, should forewarn aid-recipient countries to assume quickly the burden of meeting their national security requirements themselves.

- 77. At a press conference on 11 January 1972, President Park Chung Hee further expounded the rationale behind the declaration of the state of national emergency. He said that United States policy vis-à-vis Asia was steadily changing and, if a new war were to break out in Korea, United States intervention, if any, would be limited. The era was long gone when a nation could rely on other Powers for its defence.
- 78. The President said that, in the aftermath of President Nixon's visit to the People's Republic of China, the Korean people had begun to entertain the false idea that an era of peace had dawned and, despite the obvious danger posed by the North, they were being lulled into a false sense of security. This tendency, pervading the nation, constituted an extreme national crisis. The people had to be awakened to the real the perfect by the nation. Hence the declaration of a state of national emergency. He said the state of emergency had not been declared to cope with an imminent threat of attack but to prepare the nation should such an eventuality occur.
- 79. According to a government spokesman, the state of emergency was to last until tensions in the Korean peninsula resulting from the threat posed by North Korea had been eliminated.
- 80. On 27 December 1971 a Special Measures Law for National Security and Defence, giving President Park extra powers to strengthen national security, was passed in the National Assembly. The circumstances of the passage of the Law are described in a subsequent section. The Law empowered the President to freeze wages, rents and prices, order general or partial mobilization, control labour disputes and limit press freedom without parliamentary approval.
- 31. On 14 March 1972 a presidential decree was promulgated, which established procedures for the assumption of special powers by the President under the Law. The decree stipulated, inter alia, that the President might take any special or necessary measures for national security after the approval of the Cabinet. Special measures would be made public through the official gazette or, in the case of emergency, by announcement over the State-run broadcasting system, to take effect on the date the measures were published or broadcast. Announcing the decree, the Minister for Culture and Public Information, Mr. Yun Chu Yong, said that it did not necessarily imply that special presidential measures would be implemented.
- 82. The Special Measures Law was not debated in the National Assembly until the end of July. Opposition speakers attacked the constitutionality of the Law and contended that, since the Law had not been invoked following its passage in December, it was intended only to bluff the people. The Prime Minister, said in reply, on 22 July 1972, that the declaration of the state of national emergency and the Special Measures Law were resorted to last December only to meet a rapidly changing international situation. He added that the Government would operate the Law within the framework of the Constitution and then only to ensure the protection of the basic rights of the citizens. He said that it was not possible to withdraw the legislation at that time: despite the Joint Communique of 4 July 1972, there was still tension in the peninsula, particularly along the Demilitarized Zone.

#### C. Executive

- 83. The control of the domestic affairs of the nation by the Executive has naturally increased since the declaration of the state of national emergency and the subsequent legislation passed in December 1971. However, the powers available to the President under the Special Measures Law have not been used except in the single instance of a decree on the expropriation of land for military purposes.
- 84. Five ministerial changes took place in the period under review, as follows:

On 24 August 1971, Mr. Yu Jae Heung succeeded Mr. Jung Nae Hiuk as Minister for National Defence

On 7 October 1971, Mr. Kim Hyong Ok succeeded Mr. Oh Chi Sung as Minister for Home Affairs

On 24 November 1971, Mr. Kim Shin succeeded Mr. Chung Sung Hwan as Minister for Transportation

On 4 January 1972, Mr. Tae Wan Son succeeded Mr. Kim Hak Yul as Deputy Prime Minister and Minister for Economic Planning

On 4 January 1972, Mr. Chang Yo Joon succeeded Mr. Tae Wan Son as Minister for Construction

#### D. Legislative

#### 1. National assembly

85. During the period under review, there was a more balanced composition of the eighth National Assembly, with a larger-than-ever representation of the Opposition. (The general election was held on 25 May 1971.) 5/ There was also a smoother and more democratic functioning of the Legislature and a greater display of bipartisan co-operation. This trend, beginning with the 77th (extraordinary) session, continued to prevail until the latter part of the 78th (regular) session, 6/ when difficulties arose between the two parties in connexion with the declaration of the state of national emergency and the subsequent passage of the Special Measures Law for National Security and Defence.

<sup>5/</sup> See foot-note 7.

<sup>6/</sup> Under the Constitution, a regular session of the National Assembly is convened once every year for a period not exceeding 120 days. An extraordinary session can be convened in case of extraordinary necessity upon the request of the President or of more than one fourth of the National Assembly members for a period not exceeding 30 days. While the regular session is mandatory, extraordinary sessions are optional.

- 86. During the period preceding the declaration, the Assembly disposed of several bills, including the 1971 Supplementary Budget Bill and the 1972 Budget Bill. It also adopted a unanimous resolution in connexion with President Nixon's visit to the People's Republic of China. The resolution, sponsored by 80 Assemblymen from both major parties, opposed any secret political agreement on the Korean question at the talks in China. Further, in a striking illustration of democratic process at work, the Assembly adopted an Opposition-sponsored "no-confidence" motion against the Minister for Home Affairs for his alleged responsibility for the social unrest then prevailing in the nation. Twenty Assemblymen of the Democratic Republican Party also voted in favour of the motion, thus ensuring its adoption. This action, in addition to the resignation of the Minister for Home Affairs, also led to the resignations of the Floor Leader of the Democratic Republican Party and his four deputies.
- 87. On 7 December 1971, following the declaration of the state of national emergency, the Prime Minister addressed the National Assembly and asserted that the President, in declaring the emergency, had acted within his constitutional authority to protect the security of the nation.
- 88. On 21 December, the Democratic Republican Party submitted to the National Assembly the draft of the Special Measures Law for National Security and Defence designed to formalize the declaration of the state of national emergency and to confer upon the President power to take all measures necessary to preserve national security. However, Assemblymen of the New Democratic Party physically prevented the Speaker from introducing the bill at the plenary session of the Assembly. He thereupon introduced it in the Legislative-Judiciary Committee instead, and in a letter to the Floor Leaders of the Democratic Republican Party and the New Democratic Party explained the reasons for his having pursued that course.
- 89. The New Democratic Party Assemblymen were dissatisfied with this explanation and strongly criticized the Speaker for having circumvented the normal procedure. Calling for his resignation, they submitted a motion of "no-confidence" against him but the session adjourned before the motion could be voted upon. The Law was eventually passed on 27 December 1971 at a plenary session of the National Assembly attended only by the Democratic Republican Party Assemblymen. The New Democratic Party has since challenged the legality of the Law on the grounds that it was passed without its knowledge and participation.
- 90. Following the passage of the Special Measures Law, the conflicting attitudes of the two parties resulted in a complete deadlock in the National Assembly. The Democratic Republican Party made it clear that it did not wish to debate the Law while the New Democratic Party not only insisted on a debate but also stated its intention of tabling a censure motion against the Speaker for his role in the passage of the Law. The Democratic Republican Party declined to attend the 79th, 80th and 81st (extraordinary) sessions under those terms and the three sessions, called unilaterally by the New Democratic Party, were adjourned due to lack of a quorum. A few standing committee meetings were, however, held to discuss matters relating to national security, foreign policy and the economy.
- 91. On 2 June 1972, the New Democratic Party Assemblymen staged a sit-in demonstration in the main chamber of the National Assembly in protest against the boycott of the 81st (extraordinary) session by the members of the Democratic Republican Party and the Speaker's inability to restore normal functioning of the

Legislature as promised. On the same day, the president of the National Democratic Party, Mr. Kim Hong II, began a hunger strike in his office in the National Assembly, which ended with the adjournment of the 81st (extraordinary) session on 6 June.

- 92. The 82nd (extraordinary) session convened on 3 July 1972 upon separate requests of the Assemblymen of the two parties.
- 93. On 5 July 1972, the Assembly heard a report by the Prime Minister on the South-North Joint Communiqué. From 5 to 13 July 1972, the Prime Minister, the Minister for Foreign Affairs and other responsible Cabinet members were interpellated on the Joint Communiqué.
- 94. Following the interpellations on the Joint Communiqué, normal operations in the National Assembly resumed despite the differences between the parties. The Special Measures Law was debated from 20 to 22 July 1972 in the absence of the Speaker, Mr. Paik Too Chin. The debate concluded with the Prime Minister's justification of the legislation as constitutional and necessary, both at the time it was passed in December and currently, the Joint Communiqué notwithstanding.
- 95. On 22 July 1972, the Speaker submitted his resignation, stating that the Speaker's honour should not be the target of party political conflicts. However, on 25 July 1972, the National Assembly, with only the Democratic Republican Party Assemblymen participating, voted to reject the resignation. The New Democratic Party Assemblymen had staged a walk-out prior to the voting when they failed to secure a postponement of the vote in order to debate the question of the Speaker's resignation.
- 96. On 31 July 1972, the Assembly rejected the Opposition-sponsored "no-confidence" motion against the Speaker by a vote of 112 in favour to 83 against. The Assembly closed its 30-day extraordinary session the following day.
- 97. On 10 August 1972, the National Assembly commenced its 83rd (extraordinary) session to deal with the presidential emergency order of 3 August 1972 concerning the economy.

#### 2. By-election

98. During the period under review, two vacancies occurred in the National Assembly following the resignations of two Democratic Republican Party Assemblymen. One of the vacant seats was filled automatically under the proportional representation system by the next ranking member in the Democratic Republican Party's list of candidates. The other vacancy was filled through a by-election held on 14 December in the Talsong-Koryong constituency in the South Kyongsang province, in which a Democratic Republican Party candidate was returned. The election, observed by a team from the Commission, was found to have been conducted

in a fair and orderly manner. 7/ This election was the only one held in the Republic of Korea during the period.

#### E. Student demonstrations

99. Student demonstrations against on-campus military training at colleges and universities, after a lull during the summer vacation, resumed in September 1971. They gained momentum on 5 October 1971, when some 30 members of the Capital Garrison Command entered the Korea University campus and took five students into custody. The action stirred nation-wide demonstrations by thousands of students for the next two weeks. The students took to the streets, demanding the immediate release of their fellow students, public apology by military atuhorities, and due punishment for those responsible. They also denounced alleged social corruption and irregularities.

100. On 15 October 1971, President Park Chung Hee issued a nine-point special order, which reaffirmed, inter alia, the continuation of on-campus military training and provided measures for the restoration of order, including expulsion and other punishments for disobedience of the presidential order. On the same day, the Minister for Education instructed all college and university authorities to take necessary steps for the implementation of the presidential order. Furthermore the Mayor of Seoul, invoking article 12 of the 1950 Army Garrison Regulation (Presidential Decree 296), requested support from the Capital Garrison Command for the control of student demonstrations in the Seoul area and seven universities in Seoul were occupied from 15 to 23 October. By the end of the month, calm returned to the campuses, and the units of the Capital Garrison Command returned to their barracks. The campuses were reopened on 1 November 1971.

<sup>7/</sup> This by-election did not alter the representation in the National Assembly. Subsequently, however, one independent member joined the Democratic Republican Party. The representation of the parties as of the date of the signing of the report is as follows:

Democratic Republican Party	114
New Democratic Party	89
Independent	1
Total	204

#### VII. ECONOMIC DEVELOPMENTS IN THE REPUBLIC OF KOREA

#### A. Introduction 8/

- 101. During the period under review, the economy continued its sustained growth. The period comprises the fifth and last year of the second five-year economic development plan of the Republic of Korea (1967-1971) and, wherever data are available and assessment is possible, the first part of 1972. The United Nations World Economic Survey, 1971, 9/ indicated that among 84 developing countries, the Republic of Korea was one of the three which had attained the highest growth rate during 1971. While lower than in 1969, the Republic's rate of growth had exceeded that for 1970. Strains deriving from this high growth rate were similar to those observed during previous years, namely lagging development in the agricultural sector, an expanding trade deficit, rapidly rising domestic prices, and a growing foreign debt.
- 102. Through the implementation of a series of stabilization measures, the Government pursued its efforts to relieve these strains. The Republic's industrial production and export performance maintained their high annual growth rate. However, the heavy burden of foreign-loan-servicing, excessive investments directed into limited industrial sectors, the continuing need to import a large amount of foodgrains, and the rising cost of imported raw materials coupled with the increasing burden of defence outlays tended to maintain these economic strains, which were, moreover aggravated by external economic and monetary events in mid 1971.
- 103. Economic development slowed down during the last 12 months, despite measures taken by the Government to stimulate an economic recovery. On 3 August 1972, these measures were reinforced by a presidential emergency order to stabilize the nation's economy.
- 104. The second five-year economic development plan ended in December 1971, having achieved an annual average growth rate of 11.4 per cent. The projected growth rate had been 7 per cent. All main objectives were achieved, and the projected growth rates for investments, industrial production, exports, social overhead and services were exceeded. The Republic's per capita gross national product (GNP), at 1965 constant market prices, increased from \$143 in 1967 to \$252 in 1971.

<sup>8/</sup> The figures in this chapter are based on the publications of the Bank of Korea and/or the Economic Planning Board.

<sup>9/</sup> United Nations publication, Sales No.: E.72.II.C.2.

#### B. Rate of growth

105. According to the Bank of Korea, the GNP (at 1965 constant market prices) increased from V 1,422 billion\* in 1970 to V 1,561.9 billion in 1971 with an economic growth rate of 9.8 per cent as compared to 8.9 per cent in 1970. In terms of value, gross capital investments amounted to 26.1 per cent of the GNP, including 14.2 per cent provided by domestic savings and 11.5 per cent by external resources. The share of public savings, private savings and external resources in gross capital investments is as follows:

	<u>1969</u> (pe	1970 ercenta	<u>1971</u> ge)
Gross capital investments	30	28	26.1
Public savings	6.3	7.1	6.2
Private savings	10.9	9.3	8
External resources	11.2	9.8	11.5

106. The contribution of external resources to gross capital formation, which had declined during 1970, increased again in 1971.

107. The general budget for the fiscal year 1971 amounted to V 555 billion, compared with V 441.3 billion for 1970 and V 647 billion for the projected budget of 1972. The trend towards increasing annually the share of the national defence outlays in the general budgets, is indicated by the following figures:

	1970	<u>1971</u>	1972
	(pe	ercen <b>t</b> a <sub>f</sub>	ge).
General expenditures Defence outlays Investments and loans	43.2	44.8	43.3
	23.1	24.4	26.4
	33.7	30.7	30.3

108. In preparing the budget for 1972, the Government and the National Assembly continued their efforts to restrain general expenditures, to încrease tax rates on luxury items and non-essential goods, and to reduce the tax burden on low income groups. The general tax burden ratio to the GNP, which had stood at 15.3 per cent in 1969 and at 15.6 per cent in 1970, increased to 15.7 in 1971.

#### C. Production trends

#### 1. Agriculture

109. The agricultural sector showed a growth rate of 1.8 per cent compared with -0.8 per cent recorded in 1970. The contribution of agriculture to the GNP in 1971 was 24.2 per cent, as against 25.8 per cent in 1970. According to statistics compiled by the Ministry of Agriculture and Forestry, in 1971 the Republic produced only 75 per cent of its consumption of foodgrains. Total production of foodgrains

<sup>\*</sup> The word "billion" in the present report means a thousand million.

amounted to 6,303,000 metric tons, including 3,997,000 metric tons of rice. During 1971, the Republic imported 2,780,000 metric tons of grains, including 1,120,000 metric tons of rice, at a cost of \$280 million. The Government called for a national rice—saving campaign and raised the official purchase price paid to farmers for rice and barley to stimulate production. These measures had not produced the expected results by the end of 1971. For 1972, the Government at first planned to import 3 million metric tons of foodgrains, including 800,000 metric tons of rice, but in June decided to reduce the amount of rice to be imported to 400,000 metric tons, because of the diminution of rice consumption and the prospect of a bumper crop, especially of barley.

- 110. During the autumn of 1971 the shortage of grain was compensated by a bumper crop of vegetables. This caused an important drop in prices for non-grain foodstuffs in the last quarter of the year.
- 111. Numerous programmes and projects in the agricultural sector continued. In the first quarter of 1972, the Government commenced very large projects in the Nakdong and Yongsan River Basins which will irrigate more than 100,000 acres.
- 112. Early in 1972, the Government launched a national programme, called the "New Community Movement", to stimulate the spirit of co-operation among the farmers, improve the living conditions in 16,600 villages and increase the income of 1,980,000 farmers' households throughout the country. The programme, which is to cover such community projects as access roads, water supply, irrigation tanks and stream banks, is to cost several hundred billion won over a five-year period. It may be enlarged to cover all villages in the Republic.

#### 2. Fishery

113. The fishery sector showed a growth rate of 21.6 per cent in 1971 as compared with an average of 8 per cent since 1962. This sharp increase was due to the building and purchase of larger and better equipped deep-sea fishing boats. The total fishery output amounted to 1,074,000 metric tons and the deep-sea catch to 159,000 metric tons, selling for \$42 million in foreign exchange earnings. The deep-sea fishing capability is to be increased during 1972 by the building and purchase of 35,000 dead weight tons of fishing vessels, including 50 deep-sea fishing vessels. Meanwhile, the conclusion in April 1972 of two fisheries agreements between the Republic of Korea and the United States solved several problems hampering Korean deep-sea fishing and shellfish exports to the United States. It is reported that the United States Government has also pledged to provide the Republic of Korea with \$30 million for fishery development.

#### 3. Mining

114. Mining production increased by only 1.9 per cent during 1971, accounted for mainly by increased coal production stimulated by better prices. Production of iron ore and salt decreased. The contribution of the mining sector to the GNP stood at 1.3 per cent in 1971, as in 1970. The mining production index decreased 16 per cent during the first half of 1972.

#### 4. Manufacturing

115. During 1971, the manufacturing sector continued to expand rapidly, with a growth rate of 18 per cent. The industrial production index increased constantly in the first half of the year, slowed down during the second half of 1971 and the first quarter of 1972, and increased slightly during the second quarter. The manufacturing index followed the same curve. Despite the emphasis given to heavy and chemical industries, light industries went ahead faster despite reduced production in textiles and processed foodstuffs. The contribution of the manufacturing sector to the GNP in 1971 was 28.6 per cent as compared with 26.7 per cent in 1970.

116. The manufacturing sector received very large investments for the development of heavy and chemical industries, especially in the Nakdong River Basin (Pohang-Ulsan-Masan), where an iron and steel mill, 16 petro-chemical plants, two big shipyards, and four dams are presently under construction. At the end of June 1972, the Pohang Steel Co. put its plate rolling mill into production. In the first quarter of 1972, two of the biggest American automotive firms entered into joint ventures with Korean partners for the production of cars in Korea. In 1972, the ship-building industry commenced rapid development with the construction of a very large shipyard in Ulsan, a smaller one in Masan and the enlargement of existing shipyards at Inchon and Pusan. It was reported that the shipyard at Ulsan had already received orders to build two supertankers of 259,000 dead weight tons for delivery in 1974.

#### 5. Energy

117. The Republic's power-generating capacity reached 2,600 megawatts in 1971. Despite the closing of three thermal power plants during the year, construction of several hydraulic and thermal plants and of the Republic's first atomic power plant continued. In April 1972, a new thermal power plant of 344,000 kilowatts was inaugurated in Inchon together with the Republic's third oil refinery. The power surplus will further increase with the completion of a new thermal plant of 600 megawatts in December. Importation of crude cil, despite a price increase of 44.5 per cent, expanded from \$125 million in 1970 to \$174 million in 1971. The Government announced in May 1972 a new energy policy which emphasized the development of coal, hydro and atomic electric power. Importation of crude oil is to be reduced.

#### 6. Transportation

118. The construction of new expressways continued, increasing the volume of freight hauled by road. In 1971, highway trucks hauled 61 per cent of the total freight tonnage. In November 1971, the Seoul-Wonju expressway (104 kilometres) was completed and construction of the Taejon-Kwangju-Pusan expressway commenced. The Government plans to build 149 kilometres of expressways in 1972. Electrification of some railway lines and improvement of ports and airports continued. Construction of the Seoul subway, commenced in April 1971, was 22 per cent complete by April 1972, On 15 June 1972, the largest vessel ever built in Korea, an 18,000 gross ton bulk carrier, was launched. On 19 April 1972, Korean Airlines began regular trans-Pacific passenger flights.

#### D. Stabilization measures

- 119. In the first half of 1971, the tight money policy, adopted since the end of 1969 to stabilize the economy, was somewhat relaxed and then strengthened again during the second half. The money supply expanded from § 306 billion at the end of 1970 to § 360 billion at the end of 1971. This represents an increase of only 17.7 per cent as compared to the \$46 per cent recorded in 1969 and 26 per cent in 1970. Bank notes and coins issued by the Bank of Korea stood at § 186 billion at the end of 1971, representing an increase of 17 per cent over the end of December 1970. Domestic credit expanded from § 908 billion at the end of 1970 to § 1,165 billion at the end of 1971. This represents an increase of 28 per cent over that of 1970, or 3 per cent more than the 25 per cent fixed and agreed upon between the Republic of Korea and the International Monetary Fund. However, time and savings deposits at the commercial banks rose from § 573 billion at the end of 1970 to § 704 billion at the end of 1971, representing an increase of 22 per cent over the previous year.
- 120. During the second half of 1971, industrial and business firms suffered a serious lack of liquidity for their current transactions.
- 121. The won was devalued 13 per cent against the dollar at the end of June 1971 and an official rate of  $\sqrt{371.60}$  to the dollar was maintained until the Government decided in December to revert to the former "floating" rate system. The won fell to  $\sqrt{373.30}$  to the dollar at the end of December 1971 and reached the  $\sqrt{400}$  mark on 17 June 1972. This represents a devaluation of 7.2 per cent during the first half of 1972. At the end of June 1972, the money supply stood at  $\sqrt{380}$  billion, domestic credit at  $\sqrt{1,321}$  billion, bank notes and coins issued at  $\sqrt{160}$  billion and time and savings deposits at  $\sqrt{784.5}$  billion.
- 122. On 3 August 1972, President Park Chung Hee decreed a presidential emergency order, effective the same day. The order comprised several drastic measures in the economic, financial, monetary and fiscal fields aimed at stabilizing the national economy. The most significant among these measures were:

  (1) a moratorium of three years on all private loans, followed by a repayment period of five years and the reduction of the monthly interest rate to 1.35 per cent; (2) the issuance of № 200 billion in special bank bonds to be discounted by the Bank of Korea in order to consolidate the short-term bank loans of businesses and industries; (3) the creation of an "Industrial Rationalization Fund" of № 50 billion to stimulate the rationalization of the Republic's industries.
- 123. Corollary and subsequent measures were also taken to reduce the bank interest rates, to fix the foreign exchange rate around ½ 400 per dollar, to curb all commodity and utility prices below 3 per cent per year, and to readjust downward several budgetary accounts.

#### E. Prices

124. Despite the tight money policy and the lack of liquidity within business circles, inflationary pressures persisted throughout the year. The wholesale price index and the Seoul consumer price index fluctuated widely during the year. At the end of 1971, the wholesale index had increased 8.6 per cent over 1970 and the Seoul consumer index 12.3 per cent. The trend of rising prices continued

during the first half of 1972. In March, the Government decided to freeze all prices except the price of rice at the level of 6 March 1972. Despite the freeze, the wholesale price index at the end of June was 7.2 per cent over that recorded at the end of 1971. Meanwhile, the Seoul consumer price index increased by 8.3 per cent during the same period. The upward movement of prices was accelerated by the raising of domestic utilities and services charges and by higher world prices for imported raw materials, capital goods and crude oil. Under the presidential emergency order of 3 August, the Government decided to freeze all commodity prices and utility charges at the level of 3 August 1972, and to restrict any further annual price increase to 3 per cent.

## F. Wages and Employment

125. During the year, wages in nominal terms increased slightly in the manufacturing and agricultural sectors over the increasing cost of living. Average monthly urban wages rose from 1/16,230 at the end of 1970 to 1/18,860 at the end of 1971, representing an increase of 20 per cent. The daily average wage in rural areas stood around 1/ 600 at the end of 1971, as compared with 1/ 486 at the end of 1970. The wage increase in rural areas was caused by the scarcity of labour due to the continued exodus of the rural population toward industrialized cities. During 1971, more than 400,000 persons emigrated to Seoul from the provinces and rural areas, even though the average annual farm household income increased from \$\forall 255,000 in 1970 to \$\forall 356,000 in 1971. In April 1972, the Government raised the salaries of government officials, teachers and military personnel by an average of 15 per cent. At the end of May 1972, the average monthly urban wage stood at 1/2,221 which represents an increase of 2 per cent in the nominal wage over the nominal wage as at the end of 1971. However, real wages declined in relation to living costs, which increased by 7.2 per cent during the same period.

126. The general unemployment rate remained unchanged in 1971, standing at 4.5 per cent as in 1970. However, the number of unemployed persons increased some 2.5 per cent from 446,000 in 1970 to 457,000 in 1971, corresponding more or less to the rate of growth of the labour force. During the second half of the year, a number of workers were released from the manufacturing sector, particularly from the textile industries. In 1972, the rate of employment in the manufacturing sector decreased during the first quarter. The New Community Movement, which has strongly stimulated trade and exchange activities at the village level, has slowed down the drift to the cities.

#### G. Foreign trade

127. The Republic's total merchandise exports, on customs clearance basis, amounted to \$1,067 million in 1971. This represents an increase of 27 per cent over the total exports in 1970, which had amounted to \$835 million. The main exports were manufactured goods (70 per cent), of which plywood, clothing, footwear, wigs, electrical and electronic goods, textiles and machinery represented the most important items. Farm and fishery products comprised 25 per cent of total exports. Foreign exchange earnings from invisible trade amounted to \$486 million during 1971. However, the surplus of invisible receipts over invisible payments decreased from \$270 million in 1970 to \$192 million in 1971. Although merchandise was exported to 108 different countries, 74 per cent

of the total exports went to the United States and Japan. Exports to Japan were affected by the revaluation of the yen, and those to the United States by the protective measures taken by the United States at midyear (especially the 10 per cent surcharge), and by the textile agreement between the United States of America and the Republic of Korea reducing the annual rate of increase of textile exports to the United States.

- 128. Since the beginning of 1972, the Government has intensified its efforts to expand and diversify the Republic's exports. It sent abroad several high-level trade missions and convened four trade and export promotion conferences of the ambassadors and trade agents from the Republic in South-East Asia, Latin America and Europe. During the first half of 1972, the exports increased by 40 per cent over those of the same period of 1971.
- 129. Total merchandise imports in 1971, on customs clearance basis, amounted to \$2,394 million, reflecting an increase of more than 20 per cent over total 1970 imports of \$1,984 million. This high increase occurred despite the decision of the Government during the second half of 1971 to restrict the importation of 93 items. The major items imported were crude oil, lumber, rice, wheat, chemicals, raw cotton and raw wool, machinery, vessels, scrap iron and transportation equipment. Japan remained the main supplier (39.8 per cent of total imports), with the United States second (28.3 per cent).
- 130. Despite all efforts to reduce the volume and cost of imports and to improve the balance of payments position, the foreign trade deficit at the end of 1971 amounted to \$1,326 million compared with \$1,150 million in 1970, \$1,201 million in 1969 and \$1,007 million in 1968. The rate of annual increase of total merchandise imports, which had declined from 47 per cent in 1968 to 8.7 per cent in 1970, increased suddenly to 20 per cent in 1971. Meanwhile, the rate of annual increase of merchandise exports, which had continued at the high level of 40 per cent from 1967 to 1970, declined to 27 per cent in 1971.
- 131. According to the preliminary figures on foreign trade for the first half of 1972, the Republic's imports and exports, on a customs clearance basis, amounted to \$1,163 million and \$665 million respectively. This leaves a trade deficit of \$498 million for the half year and indicates that 1972 could end with a smaller foreign trade deficit than in previous years.

#### H. External Resources

- 132. During 1971, the total inflow of foreign capital into the Republic was \$691 million, compared with \$580 million in 1970. This represented an increase of 19 per cent. Of the total, \$303 million represented public loans, \$345 million commercial loans and \$43 million foreign investments.
- 133. Public loans were provided by international financial institutions (\$57 million) and by foreign Governments (\$139 million by the United States, \$102 million by Japan and \$2.5 million by the Federal Republic of Germany). They were mostly invested in infrastructure or large manufacturing projects. Commercial loans were provided by various contributors, generally from the developed countries, the United States providing \$112 million, France \$61 million, Japan \$58 million, the United Kingdom \$54 million, the Federal Republic of Germany

- \$22 million, and Italy \$7 million. They were absorbed into light industries, power-generating and transportation equipment. Repayment of the commercial loans was guaranteed at 90 per cent by the Government or the five city banks. During 1972, the Government hopes to attract into the Republic \$346.5 million in public loans and \$425 million in commercial loans.
- 134. On 21 July 1972, the Minister for Economic Planning stated in the National Assembly that the Government had already induced into the Republic \$593 million of foreign capital during the first half of 1972 and expected to induce \$207 million more by the end of the year.
- 135. The policy of attracting foreign investments into the Republic continued through 1971 and new incentives were offered for the establishment of new foreign-financed industries. According to the Economic Planning Board, total foreign investments in the Republic since 1962 amounted to \$275 million, of which 57 per cent was invested by the United States and 32 per cent by Japan. The total investments went into 392 different industrial projects, mostly electronics and electrical industries, petroleum refining and chemicals. During the first half of 1972, the inflow of foreign investments amounted to \$77 million for 70 different projects. This is \$7 million above the original goal of \$70 million fixed for the whole of 1972. Construction of the Masan Free Port processing zone, especially equipped for foreign investors, continued throughout the year. More than \$13 million is already invested in various projects in the zone.
- 136. The Republic's gold and foreign exchange holdings, which had stood at \$586.9 million at the end of 1970, fluctuated during 1971 and stood at the end of the year at \$538 million. This represented a decline of 8 per cent over 1970. Foreign exchange holdings at end of June 1972 had risen again to \$568 million.
- 137. According to statistics released by the Economic Planning Board, the total amount of foreign loans induced into the Republic, on arrival basis, had reached \$2,571 million by the end of 1971. Of this \$416 million has already been repaid, leaving an outstanding foreign debt of \$2,154 million. This does not include short-term loans and suppliers' credits with a maturity of less than three years. The current foreign debt is scheduled to be repaid over the period 1972 to 1976. Repayment servicing projected for 1972 is \$315 million, not including the repayment of short-term loans.

## I. General economic situation and prospects: economic development plans

138. Since the third quarter of 1971, the economy of the Republic of Korea has faced growing difficulties calling for several measures of adjustment to the new internal and external conditions. The Government periodically and cautiously took a series of economic, financial and monetary measures designed to stimulate the economy. These measures had not produced all the expected results by the end of the first quarter of 1972. They were reinforced in January, April and August 1972 by new measures which injected more liquidity into business circles, reduced interest rates on bank loans and deposits, curtailed unessential imports, relaxed some import restrictions, increased export incentives, restrained general consumption, and strengthened price control. There was a slight increase in industrial production during the second quarter of 1972.

- 139. Strains in the economy already visible before the end of the second five-year economic development plan became increasingly evident during the past 12 months and have raised severe problems regarding the financing of the third five-year plan.
- 140. The strains have arisen in the form of a vicious circle, starting from the Republic's shortage of natural resources. As a result of this shortage, foreign and domestic capital has been invested in import-replacement industries, enterprises which process and re-export imported raw materials, and in export-oriented light industries. Light industry exports supported by Government subsidies and special incentive measures developed very rapidly with an annual increase of 41 per cent during the second five-year plan. Of course this phenomenal growth of export-oriented light industries called for a corresponding increase in the imports of raw materials, intermediate goods, equipment, machinery and fuel. Both exports and imports expanded steadily, generating a large trade deficit, which called every year for a greater inflow of foreign exchange to fill the gap in the balance of payments. Since 1968, the annual trade deficit has exceeded \$1 billion.
- 141. The rapid growth of the manufacturing sector and of the export-oriented industries also called for a corresponding expansion of social overheads and services. These required more investments and more foreign borrowings.
- 142. During the past several years, invisible export foreign exchange earnings derived from United States military procurement had proved very helpful but these earnings decreased after the withdrawal of a United States division from Korea.
- 143. The fast economic growth of the manufacturing sector and of the exportoriented industries has been achieved at the cost of retarded progress in other
  sectors of the economy, especially the agricultural sector, which has not expanded
  sufficiently to meet domestic demand. Every year, the Government has been obliged
  to negotiate special loans to import foodgrains.
- 144. During the 10 years covering the first two five-year plan periods, average conditions and terms of foreign aid and foreign borrowing changed gradually from a predominance of grants and soft loans to a predominance of commercial loans and suppliers' credits with higher interest rates. Not all investments in the new industries were successful and many industries were unable to repay the amount borrowed, plus interest. Towards the end of the second five-year plan, the grace periods agreed upon on the long-term loans began to expire. The practice of resorting to foreign borrowing to compensate for insufficient earnings and domestic savings was generalized.
- 145. The Republic's fast economic growth was also accompanied by a rate of inflation, which, while stimulating domestic savings and capital formation, was partly restrained by stabilization measures, but was never overcome. Paradoxically, it increased when the Republic experienced a decrease of economic activity during the second half of 1971 and the first half of 1972.
- 146. Toward the end of the second five-year economic development plan, the Government, conscious that the fast and unbalanced economic growth rate of the nation was partially responsible for the aggravation of various economic and social problems, especially the large disparity between the incomes of the rural

and the industrial workers, decided to abandon the policy of high growth rate in favour of a more integrated and balanced economy, in which the various sectors could be rationally developed without creating new economic and social distortions.

- 147. The third five-year economic development plan, published in April 1971, adopted the relatively moderate annual growth rate of 8.6 per cent and placed emphasis on accelerated development of the rural economy, sustained expansion of exports and the establishment of heavy and chemical industries.
- 148. The new plan provides for an investment of 23.6 per cent of the Republic's total available resources from 1972 to 1976, of which 79 per cent is to come from domestic savings and 21 per cent from foreign capital. The Government hopes to raise domestic savings of § 3,575 billion through complete mobilization of government and private savings, reorganization of the banking institutions, improvement of the financial and tax systems, restraint of a national propensity to excessive consumption, strong curtailment of imports, and sustained expansion of exports.
- 149. The plan provides for an expenditure of external resources to the value of \$3,869 million. The Government announced in the first quarter of 1972 that \$1,700 million had already been committed by several international financing organizations and friendly Governments.
- 150. After the successful implementation of the first two five-year plans, the Government is entering upon its ambitious third five-year economic development plan with a good reputation for achieving its economic objectives.

#### VIII. CONCLUDING OBSERVATIONS

- 151. During the period covered by the report, by far the most outstanding developments were the contacts between North and South Korea in Red Cross talks and negotiations which culminated in the Joint Communiqué of 4 July 1972. Both contacts led to potentially significant agreements, which, if implemented with realism and good will, could make a valuable contribution towards the peaceful unification of Korea.
- 152. The commencement of bilateral contacts is a welcome omen for an eventual settlement of the Korean question. However, the contacts have not changed the situation between the two parts of Korea to such an extent as to call into question the appropriateness of the traditional posture of the United Nations. This posture, personified by the political and military presence of the Organization in Korea, has steadily succeeded in one of its major purposes the maintenance of peace and security in Korea. The United Nations has always looked to the time when there might be genuine <u>détente</u> in the Korean peninsula. This may now be in prospect but it has not yet arrived.
- 153. The maintenance of peace in the Korean peninsula since 1953 is one of the most notable political successes in the annals of the United Nations. In this period, numerous crises have been contained. In this period too, in the atmosphere of security and stability for which the United Nations can claim credit, the current bilateral contacts have commenced and developed. To remove or reduce the United Nations presence in anticipation of possible success in the bilateral contacts, would be to put at risk the security and stability of the peninsula. Far from impeding further success in North-South contacts, the continuation of the United Nations presence is an element clearly conducive to their success. The good offices of the United Nations are available for any further efforts towards peaceful unification synchronized with the bilateral contacts. The contribution of the Commission to the preservation of peace and security is evident, and the value of its encouragement of the maintenance of representative government in the Republic of Korea has been confirmed at successive United Nations General Assemblies.
- 154. There are two interrelated reasons why the Commission has not so far been able to bring about the unification of the two parts of Korea. First, the international climate and that in the perinsula itself have not until now been ready for any settlement of the Korean question; secondly, the Democratic People's Republic of Korea has continued to deny any role to the United Nations in general and to the Commission in particular. It is to be hoped that the present general atmosphere of détente, both on the international scene and in the peninsula, may encourage the Democratic People's Republic of Korea to accept the role of the United Nations and to take advantage of its impartial services and readily available presence in Korea.
- 155. The Commission, representing the United Nations presence in the field, considers from its observations that the growing detente in the peninsula benefited from the postponement of the General Assembly deliberations on the Korean items last year. The absence of serious incidents in Korea this year, the progress

achieved in the Red Cross talks and the dialogue leading to the Joint Communiqué of 4 July 1972 appear to confirm this and to suggest that the absence of distractive debate continues to be a factor facilitating greater and more fruitful contact between the two parts of Korea.

The present report is submitted to the Secretary-General in accordance with paragraph 5 of General Assembly resolution 2668 (XXV) of 7 December 1970.

The Commission places on record its appreciation of the logistical support provided by the United Nations Command and the co-operation and assistance of the Government of the Republic of Korea.

The Commission wishes to express its appreciation of the services rendered by the Secretariat.

DONE at the Commission Headquarters, Seoul, Republic of Korea, this eighteenth day of August, one thousand nine hundred and seventy-two.

(Signed) Murray G. M. BOURCHIER Australia

Marinus J. MEIJER Netherlands

Pakistan 10/

Benjamin T. TIRONA

Philippines

Sirajaya BUDDHI-BAEDYA

Thailand

Melih ERGIN

Turkey

Ahmet H. Ozbudun Principal Secretary

<sup>10/</sup> See paragraph 5 of this report.

#### ANNEX I

#### TEXT OF THE SOUTH-NORTH JOINT COMMUNIQUE

Recently there were talks held both in Pyongyang and Seoul to discuss problems of improving South-North relations and unifying the divided fatherland.

Director Hu Rak Lee of the Central Intelligence Agency of Seoul visited Pyongyang from 2 to 5 May 1972 to hold talks with Director Young Joo Kim of the Organization and Guidance Department of Pyongyang. Second Vice-Premier Sung Chul Park, acting on behalf of Director Young Joo Kim, also visited Seoul from 29 May to 1 June 1972 to hold further talks with Lirector Hu Rak Lee.

With the common desire to achieve peaceful unification of the fatherland as early as possible, the two sides in these talks had frank and open-hearted exchanges of views, and made great progress in promoting mutual understanding.

In the course of the talks, the two sides, in an effort to remove the misunderstandings and mistrust and mitigate increased tensions that have arisen between the South and the North as a result of long separation, and further to expedite unification of the fatherland, have reached full agreement on the following points:

1. The two sides have agreed to the following principles for unification of the fatherland:

First, unification shall be achieved through independent Korean efforts without being subject to external imposition or interference.

Second, unification shall be achieved through peaceful means, and not through the use of force against each other.

Third, as a homogeneous people, a great national unity shall be sought above all, transcending differences in ideas, ideologies, and systems.

- 2. In order to ease tensions and foster an atmosphere of mutual trust between the South and the North, the two sides have agreed not to slander or defame each other, not to undertake armed provocations whether on a large or small scale, and to take positive measures to prevent inadvertent military incidents.
- 3. The two sides, in order to restore severed national ties, promote mutual understanding and to expedite independent peaceful unification, have agreed to carry out various exchanges in many fields.
- 4. The two sides have agreed to co-operate positively with each other to seek early success of the South-North Red Cross talks, which are under way with the fervent expectations of the entire people.

- 5. The two sides, in order to prevent the outbreak of unexpected military incidents and to deal directly, promptly and accurately with problems arising between the South and the North, have agreed to install a direct telephone line between Seoul and Pyongyang.
- 6. The two sides, in order to implement the aforementioned agreed items, solve various problems existing between the South and the North, and to settle the unification problem on the basis of the agreed principles for unification of the fatherland, have agreed to establish and operate a South-North Coordinating Committee co-chaired by Director Hu Rak Lee and Director Young Joo Kim.
- 7. The two sides, firmly convinced that the aforementioned agreed items correspond with the common aspirations of the entire people, who are anxious to see an early unification of the fatherland, hereby solemnly pledge before the entire Korean people that they will faithfully carry out these agreed items.

UPHOLDING THE DESIRES OF THEIR RESPECTIVE SUPERIORS

HU RAK LEE

YOUNG JOO KIM

4 July 1972

#### ANNEX II

#### International relations of the Republic of Korea

#### A. Diplomatic relations

#### 1. Embassies of the Republic of Korea abroad

#### Resident embassies

Argentina Mexico

Australia Morocco

Austria Netherlands

Belgium New Zealand

Brazil Peru

Cameroon Philippines

Canada Republic of China

Central African Republic Republic of Viet-Nam

Chile Spain

Colombia Sweden

Denmark Switzerland

Ethiopia Thailand

Federal Republic of Germany Tunisia

France Turkey

Iran Uganda

Italy United Kingdom

Ivory Coast United States of America

Japan Upper Volta

or the state of th

Kenya Uruguay

Khmer Republic Zaire

Malaysia

#### Non-resident embassies

Liberia Bolivia

Luxembourg Botswana

Madagascar Chad

Malawi Costa Rica

Maldives Dahomey

Malta Dominican Republic

Mauritius Ecuador

Nicaragua El Salvador

Niger Fiji

Norway Gabon

Panama. Gambia Paraguay

Portugal Guatemala

Rwanda Guyana

Saudi Arabia Haiti

Senegal Holy See

Sierra Leone Honduras

Swaziland Iceland

Togo · Israel

Tonga Jamaica

Venezuela Jordan

Lesotho

Italy

Greece

#### Foreign embassies in the Republic of Korea 2.

## Resident embassies

Republic of Viet-Nam Japan Australia

Khmer Republic Switzerland Belgium

Thailand

Malaysia Brazil Turkey

Federal Republic of Germany United Kingdom New Zealand

Netherlands

France United States of America

Philippines Holy See

Uruguay Republic of China Israel

#### Non-resident embassies

Argentina Gabon Norway

Austria Greece Panama

Canada Guatemala Paraguay

Colombia Iran Peru

Costa Rica Ivory Coast Saudi Arabia

Denmark Jordan Spain

Dominican Republic Liberia Sweden

Ecuador Madagascar Venezuela

El Salvador Mexico Zaire

Ethiopia Nicaragua

# 3. Countries with which agreement has been reached to establish diplomatic representation

Equatorial Guinea

Laos

#### B. <u>Missions of the Republic of Korea to international organizations</u>

Office of the Permanent Observer of the Republic of Korea to the United Nations (New York)

Permanent Delegation of the Republic of Korea to International Organizations in Geneva and Office of the Permanent Observer to the European Office of the United Nations (Geneva)

Republic of Korea Mission to the European Economic Community

#### C. Others

Beirut The Permanent Trade Mission of the Republic of Korea

in Beirut

Helsinki The Special Trade Representation of the Republic of Korea

(Finland) in Finland

Karachi The Trade Office in Karachi of the Consulate General of

the Republic of Korea in Islamabad

#### D. Consular Missions of the Republic of Korea

#### Australia

Sydney

#### Brazil

São Paulo

#### Burma

Rangoon

#### Canada

Vancouver

#### Egypt

Cairo

## Federal Republic of Germany

Munich

Hamburg

## Hong Kong (Crown Colony of the British Commonwealth)

Hong Kong

#### India

New Delhi

#### Indonesia

Djakarta

#### Japan

Fukuoka

Kobe

Nagoya

Osaka

Sapporo

Sendai

Shimonoseki

Yokohama

#### Nepal

Kathmandu

#### Pakistan

Islamabad

#### Singapore

Singapore

### United States of America

Chicago

Guam

Honolulu

Houston

Los Angeles

New York

San Francisco

## E. Consular missions in the Republic of Korea

#### Consular missions

India (Seoul)

Indonesia (Secul)

Japan (Pusan)

Nepal (Resident in Bangkok)

## Honorary consular missions

Austria Jordan

Belgium Madagascar

Costa Rica Norway

Denmark Panama

Dominican Republic Peru

El Salvador Swaziland

Greece Sweden

Guatemala Tunisia

Ivory Coast United Kingdom

# F. Conclusion of or accession to international agreements (5 August 1971 to 18 August 1972)

#### 1. Principal bilateral agreements

( <u>a</u> )	Agreements signed during the period under review	Date of signature		
	Arrangement between the Government of the Republic of Korea and the Government of Japan for the Establishment of Kumoh Technical High School	28 August 1971		
	Loan Agreement between the Government of the Republic of Korea, the Korea Advanced Institute of Science and the United States of America	31 August 1971		
	Trade Agreement between the Government of the Republic of Korea and the Federal Government of the Republic of Austria	1 September 1971		
	Guarantee Agreement between the Republic of Korea and the Asian Development Bank on a Medium Industry Project (Bank project II)	3 September 1971		
	Guarantee Agreement between the Republic of Korea and the Asian Development Bank on the Electrification Project	3 September 1971		

Principal bilateral agreements (continued)	Date of signature
Cultural Agreement between the Government of the Republic of Korea and the Government of the Republic of Bolivia	7 September 1971
Amendment to the Agreement between the Government of the Republic of Korea and the Government of the United States of America concerning the Financing of Certain Educational Exchange Programs, of 18 June 1963	26 November 1971
Denunciation of the Agreement between the Republic of Korea and the Federal Republic of Germany concerning Exemption from Visa Fees	l December 1971
Agreement between the Government of the Republic of Korea and the Government of Japan concerning a Japanese Loan for the National Railway Electrification and Seoul Subway Construction Project	30 December 1971
Agreement between the Government of the Republic of Korea and the Government of the United States of America concerning Cotton Textiles, 1971	30 December 1971
Agreement between the Government of the Republic of Korea and the Government of the United States of America concerning the Export of Wool and Man-made Fibre Textile Products	4 January 1972
Agreement between the Government of the Republic of Korea and the Government of the Kingdom of Belgium on the Granting and Protection of Patents Rights	12 January 1972
Agreement between the Government of the Republic of Korea and the Government of the Republic of Singapore regarding Air Services between and beyond their Respective Territories	2 February 1972
Memorandum of Understanding between the Government of the Republic of Korea and the Government of the United States of America relating to the Conversion and Expansion of the Ammunition Production Program in Korea	19 February 1972
Agreement between the Government of the Republic of Korea and the Government of Spain concerning the Abolition of Visas	8 March 1972

Principal bilateral agreements (continued)	Date of signatur
Amendment to the Agreement between the Government of the Republic of Korea and the Government of the United Kingdom of Great Britain and Northern Ireland regarding the Establishment of an Institute of Technology at Wulsan	21 March 1972
Agreement between the Government of the Republic of Korea and the Government of the Republic of China regarding the Mutual Protection of Patents of Invention, Utility Model, Design and Trade Mark	21 March 1972 <sup>°</sup>
Agreement between the Government of the Republic of Korea and the Government of the Republic of Turkey regarding the Waiver of Visa Requirements	3 April 1972
Supplementary Agreement between the Government of the Republic of Korea and the Federal Republic of Germany regarding Technical and Economic Co-operation in the Establishment of an Integral Drainage and Sewage Plan for the City of Pusan	10 April 1972
Amendment to the Agreement between the Government of the Republic of Korea and the Government of Japan regarding Air Services	25 April 1972
Agreement between the Government of the Republic of Korea and the Government of the United Kingdom of Great Britain and Northern Ireland regarding Air Services	2 May 1972
Wheat Aid Arrangement between the Government of the Republic of Korea and the Government of the Federal Republic of Germany	4 May 1972
Agreement between the Government of the Republic of Korea and the Government of the United States of America concerning the Deposit in Won of Ten Per Cent of the Value of the Grant for Military Assistance and Excess Defense Articles provided by the United States of America to the Government of the Republic of Korea	12 May 1972
Amendment to the Agreement between the Government of the Republic of Korea and the Government of the United States of America for Financing Certain Educational Exchange Programmes of 18 June 1963	1 June 1972

Principal bilateral agreements (continued)	Date of signature
Arrangement between the Government of the Republic of Korea and the Government of Japan for the Establishment of Kumoh Technical High School	1 July 1972
Agreement concerning Tax Exemption on International Air and Sea Transport Income	7 July 1972
Cultural Agreement between the Government of the Republic of Korea and the Government of the Republic of Turkey	4 August 1972
Agreement for the Granting and Protection of the Rights on Patents of Invention, Utility Model, Design and Trade Mark between the Government of the Republic of Korea and the Government of the Argentine Republic	14 August 1972

# (b) Agreements which came into effect during the period under review (Signed prior to the period)

	Date of Promulgation
Visa Abolition Agreement between the Government of the Republic of Korea and the Government of the Kingdom of Lesotho	13 August 1971
Agreement regarding Economic and Technical Co-operation and Trade Promotion between the Government of the Republic of Korea and the Government of the Republic of Indonesia	24 August 1971
Loan Agreement between the Republic of Korea and International Bank for Reconstruction and Development for a Highway Project	10 November 1971
Loan Agreement between the Republic of Korea and the Asian Development Bank for the Seoul Water Supply Project	10 November 1971
Loan Agreement between the Republic of Korea and the United States of America for Foreign Exchange Costs of Commodities and Services	27 December 1971
Agreement between the Government of the Republic of Korea and the Covernment of the Federal Republic of Germany concerning Financial Assistance	6 January 1972
Cultural Agreement between the Government of the Republic of Korea and the Government of the Commonwealth of Australia	9 June 1972

#### 2. Principal multilateral agreements

Date of Promulgation

Asian-Oceanic Postal Convention

23 February 1972

Fourth International Tin Agreement

9 March 1972

Wheat Trade Convention, 1971

15 March 1972

## G. <u>Major international conferences attended by representatives of the Republic</u> of Korea during the period of 5 August 1971 to 18 August 1972

Seventh regular session of the Assembly of the Inter-Governmental Maritime Consultative Organization (London)

Fifteenth regular session of the General Conference of the International Atomic Energy Agency (Vienna)

Sixteenth session of the General Conference of the Food and Agriculture Organization of the United Nations (Rome)

Annual meeting of the Executive Committee of the Asian Postal Union (Taipei)

Third session of the Preparatory Committee for the United Nations Conference on Human Environment (New York)

Fifty-ninth Conference and hundred and ninth session of the Council of the Inter-Parliamentary Union (Paris)

International Conference on Air Law, International Civil Aviation Organization (Montreal)

Twenty-second session of the World Health Organization Regional Committee for the Western Pacific (Manila)

Legal Conference on the Maritime Carriage of Nuclear Substances (Brussels)

Twenty-sixth annual meeting of the Boards of Governors of the International Bank for Reconstruction and Development and the International Monetary Fund (Washington, D.C.)

Ministerial meeting of the Group of 77, UNCTAD (Bangkok)

Ministerial meeting of the Group of 77, UNCTAD (Lima)

First meeting of the Inter-Governmental Committee on Trade Expansion, ECAFE (Bangkok)

Twenty-seventh session of Contracting Parties of the General Agreement on Tariffs and Trade (GATT) (Geneva)

Seventh session of the International Sugar Council (London)

1972 Pledging Conference on the United Nations/Food and Agriculture Organization of the United Nations World Food Programme (New York)

Hundred and tenth session of the Council of the Inter-Parliamentary Union (Yaoundé)

Twenty-fifth World Health Assembly (Geneva)

Third session of the United Nations Conference on Trade and Development (Santiago)

United Nations Conference on the Human Environment (Stockholm)

Seventh ministerial meeting of the Asian and Pacific Council (Seoul)

#### Other conferences

Fourth General Conference of the Afro-Asian Rural Reconstruction Organization (Ghana)

Thirty-third International Conference on Public Education (Geneva)

Fourteenth General Conference of the International Bureau of Weights and Measures (Paris)

Seventh session and first extraordinary Assembly of the Intergovernmental Oceanographic Commission (Paris)

Second regular meeting of the International Commission for the Conservation of Atlantic Tunas (Madrid)

Seventy-third and seventy-fourth sessions of the Permanent Technical Committee of Customs Co-operation Council (Brussels)

Typhoon Committee, ECAFE (Tokyo)

Fifty-sixth session of the Valuation Committee of the Customs Co-operation Council (Brussels)

Second Asian Meeting to Promote Industrial Projects (Singapore)

Second preparatory meeting for the Establishment of an Asian Handicraft Centre, ECAFE (Bangkok)

Fourth Asian Economic Planners' Conference, ECAFE (Bangkok)

Fifth session of the Committee on Invisibles and Financing related to Trade, UNCTAD (Geneva)

Meeting of representatives of Governments and shippers' Organizations, ECAFE (Bangkok)

ECAFE Expert Group on Multinational Export Credit Insurance (Bangkok)

Third Asian Labour Ministers' Conference (Seoul)

Hundred and fourteenth session of the Colombo Plan Council for Technical Co-operation (Colombo)

Thirteenth session of the Asian African Legal Consultative Committee (Nigeria)

Second Conference of Government Experts on the Reaffirmation and Development of International Humanitarian Law Applicable in Armed Conflicts (Geneva)

Seventh session of the FAO Committee on Fisheries (Rome)

First session of the FAO Committee on Agriculture (Rome)

First session of the FAO Committee on Forestry (Rome)

Tenth International Hydrographic Conference (Monaco)

Hundred and fifteenth session of the Colombo Plan Council for Technical Co-operation (Colombo)

First session of the International Commission for the South-east Atlantic Fisheries (Rome)

First session of the Sub-Committee on Implementation of Management Measures of the FAO Fishery Committee for the Eastern Central Atlantic (Rome)

Forty-seventh session of the FAO Committee on Commodity Problems (Rome)

Fortieth General Conference of the International Office of Epizootics (Paris)

Fourteenth reeting of the Governing Body of the Asian Productivity Organization (Tokyo)

Twenty-first session of the Transport and Communications Committee, ECAFE (Bangkok)

Seventh session of the Asian Industrial Development Council, ECAFE (Bangkok)

Twenty-fourth session of the ECAFE Committee on Industry and Natural Resources (Bangkok)

Fifty-seventh session of the Valuation Committee of Customs Co-operation Council (Brussels)

Fifteenth session of the ECAFE Committee on Trade (Brussels)

Twenty-eighth session of the Economic Commission for Asia and the Far East (Bangkok)

Seventy-fifth and seventy-sixth sessions of the Technical Committee of the Customs Co-operation Council (Brussels)

Fourth session of the International Tin Council (London)

Twenty-eighth session of the Nomenclature Committee of the Customs Co-operation Council (Brussels)

Fifth annual session of the Board of Governors of the Asian Development Bank (Vienna)

Working Party of Experts on Containerization and regional preparations for the United Nations/IMCO Conference on Container Transport, ECAFE (Bangkok)

Fifty-eighth session of the Valuation Committee of the Customs Co-operation Council (Brussels)

Ninth session of the ECAFE Highway and Highway Transport Sub-Committee, (Bangkok)

Hundred and fifteenth session of the Colombo Plan Council for Technical Co-operation (Colombo)

Eighth session of the International Sugar Council (London)

Meeting of the Cotton Textiles Committee, CATT (Geneva)

Thirty-ninth and fortieth sessions of the Customs Co-operation Council (Brussels)

Eleventh session of the ECAFE Railway Sub-Committee (Bangkok)

First session of the thirty-first Plenary Meeting of the International Cotton Advisory Committee (Washington, D.C.)

Second special session of the UNCTAD Committee on Shipping (Geneva)

Round-table meeting of Asian insurance commissioners, ECAFE (Bangkok)

Fifth session of the International Tin Council (London)

Sixty-fourth session of the International Wheat Council (Tokyo)

Eleventh Conference of Asian Statisticians, ECAFE (Manila)

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