



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

**GENERAL ASSEMBLY**

**OFFICIAL RECORDS : TWENTY-THIRD SESSION**

**SUPPLEMENT No. 12 (A/7212)**

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**UNITED NATIONS**

New York, 1968

## NOTE

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

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LETTER OF TRANSMITTAL

Seoul, 24 August 1968

Excellency,

Pursuant to the provisions of sub-paragraph 2 (c) of General Assembly resolution 376 (V) of 7 October 1950, I have the honour to transmit to you the Report of the United Nations Commission for the Unification and Rehabilitation of Korea covering the period since 27 August 1967 for submission to the General Assembly at its twenty-third regular session.

Accept, Excellency, the assurances of my highest consideration.

(Signed) Allan H. LOOMES  
Chairman

His Excellency  
U Thant  
Secretary-General  
United Nations  
New York



## INTRODUCTION

The present report of the United Nations Commission for the Unification and Rehabilitation of Korea covers the period from 26 August 1967, the date of the Commission's last report, 1/ to 24 August 1968, when the present report was signed. It should be read in conjunction with previous reports submitted by the Commission to the General Assembly at its sixth to twenty-second sessions.

### Chapter I

#### THE UNITED NATIONS AND THE KOREAN QUESTION

##### 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 of which, resolution 2269 (XXII), was adopted on 16 November 1967.

##### B. The Commission's terms of reference and activities

2. By resolution 376 (V) of 7 October 1950, the General Assembly established the United Nations Commission for the Unification and Rehabilitation of Korea (UNCURK), consisting of Australia, Chile, the Netherlands, Pakistan, the Philippines, Thailand and Turkey. The Commission was to assume the functions previously exercised by the United Nations Commission on Korea 2/ and to represent the United Nations in bringing about the establishment of a unified, independent and democratic government of all Korea.

3. In January 1956, the Commission established a Committee with authority to act on its behalf when the Commission was not in session, consisting of the representatives of Australia, the Philippines, Thailand and Turkey, who reside in Seoul. The present composition of the delegations and the secretariat is set out in annex X.

4. During the period under review, the Commission held three sessions in Seoul. The Committee held twenty-seven meetings. The Commission and its Committee kept developments in the Republic of Korea under constant review, maintained close contacts with officials of the Government of the Republic of Korea, undertook field trips and attended briefings on various developments, organized, at the Commission's request, by the Government and the United Nations Command (UNC).

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1/ Official Records of the General Assembly, Twenty-second Session, Supplement No. 12 (A/6712).

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

5. The Commission's efforts to carry out the objectives of the United Nations in Korea, as set out in numerous General Assembly resolutions, have been limited by the continued refusal of the north Korean authorities to recognize the authority and competence of the United Nations to deal with the Korean question.

### C. The question of unification

#### 1. The position of the Republic of Korea

6. The position of the Republic of Korea on the question of unification was set out in letters 3/ dated 3 and 20 October 1967 addressed by the Government of the Republic to the Secretary-General of the United Nations. The Government, in those letters, once again confirmed that it would continue to accept the competence and authority of the United Nations to deal with the question of unification; that it would give unsparing co-operation to all United Nations efforts for the earliest achievement of unification in accordance with the principles reaffirmed in numerous resolutions of the General Assembly; that the people and the Government of the Republic of Korea considered the United Nations Commission for the Unification and Rehabilitation of Korea to be an important organ for implementing the United Nations resolutions in Korea; and expressed the hope that the Commission would continue its work until unification was achieved.

7. The leaders of the Republic of Korea have on numerous occasions reaffirmed their support for the solution of the Korean question through the United Nations. In his budget message of 16 October 1967, the President of the Republic stated that his Government would uphold "the traditional United Nations formula for the unification of the country"; and on 24 October, in his United Nations Day message, the President reaffirmed that the Government "will continue to respect the competence and authority of the United Nations to deal with the Korean question in order to bring about a unified Korea that is the paramount goal of all the Korean people". On 1 February 1968, the President declared:

"We wish to accomplish our cherished territorial unification as early as possible, but we do not want hostilities between brethren to be the measure to attain unification. Our unification policy is to follow the United Nations formula that calls for peaceful unification through free elections to be held both in south and north Korea."

8. In his United Nations Day message to the Secretary-General, the Minister of Foreign Affairs expressed the hope that the objective of achieving a unified, independent and democratic Korea would soon be realized and noted that the presence of the United Nations Commission for the Unification and Rehabilitation of Korea and the United Nations forces in the Republic discouraged serious threat to peace in the area.

9. In a statement issued on 25 June, the eighteenth anniversary of the outbreak of the Korean war, the Minister of Foreign Affairs contrasted the position of his

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3/ These letters, which were issued as documents A/C.1/947, A/C.1/947/Corr.1 and A/C.1/950, are reproduced as annexes I and II.

Government with that of the north Korean authorities in relation to the United Nations when he said:

"The Republic of Korea upholds the principle of peaceful unification and, therefore, fully accepts the role of the United Nations in Korea. It welcomes and co-operates with the United Nations, especially its political and military arms stationed in Korea, namely, the United Nations Commission for the Unification and Rehabilitation of Korea (UNCURK) and the United Nations Forces."

10. The question of establishing a territorial unification board, referred to as a territorial unification research institute in the Commission's report to the twenty-second session of the General Assembly, 4/ was pursued during the period under review. With the recent adoption by the National Assembly of an amendment to the Government Organization Law to provide for the Territorial Unification Board, the legal foundation had been laid, but it was stated that the actual establishment of the Board in the current year has had to be postponed.

## 2. The north Korean position

11. The north Korean position on the question of unification was set forth in memoranda 5/ dated 28 August, 28 October and 17 November 1967, submitted to the United Nations by the Minister of Foreign Affairs of the Democratic People's Republic of Korea, who reaffirmed the north Korean rejection of any role by the United Nations in the solution of the Korean question. He proposed instead the dissolution of the United Nations Commission for the Unification and Rehabilitation of Korea, the withdrawal of United Nations forces from the Republic of Korea and the solution of the Korean question by the Korean people itself. To bring about the solution of the Korean question, the north Korean Foreign Minister reiterated his Government's proposals whereby, following the withdrawal of foreign troops from south Korea, a unified Korean Government would be established through free north-south general elections to be held on a democratic basis. Pending the establishment of such a Government, the two parts of Korea would form a confederation; undertake economic, cultural and postal exchanges and arrange mutual visits; reduce their armed forces to agreed levels; and pledge to refrain from use of force against one another.

12. In a political programme announced by Premier Kim Il Sung at the first session of the Fourth Supreme People's Assembly on 16 December 1967, it was stated in part:

"In the struggle for the unification of the fatherland, the Government of the Republic will continue to hold fast to its independent position. We regard whatever attempt to realize the country's unification by relying on foreign forces as a treachery to the country and the nation to place the whole of Korea in the hands of foreign aggressors. The question of Korean unification

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4/ General Assembly Official Records, Twenty-second Session, Supplement No. 12 (A/6712), paras. 9-11.

5/ These memoranda, which were issued as documents A/6696/Add.2, A/C.1/953 and A/6947, are reproduced as annexes III, IV and V.

is an internal affair of the Korean people which cannot be settled by any foreign forces. Our people are a wise and civilized nation who are fully capable of settling their national issue for themselves. We hold invariably that the question of unifying our fatherland must be settled by our people themselves without interference from any outside forces after the aggressive army of U.S. imperialism is withdrawn from South Korea. ... The entire people in the northern half of the Republic bear the heavy responsibility for carrying the South Korean revolution to completion, keeping pace with the exalted fighting spirit of the South Korean people and rendering active support to their struggle."

13. In a more recent memorandum issued on 25 July 1968 and reproduced in the People's Korea on 31 July 1968, it was again stated that the United Nations had "no ground or authority to meddle in the question of Korea"; that it "must not discuss the question of the unification of Korea, an internal affair to be settled by the Korean people themselves"; and that it "must put an end to the illegal discussion of the Korean question held without the participation of a representative of the Democratic People's Republic of Korea. ..."

14. Having studied carefully the north Korean proposals, as well as statements by north Korean leaders, and having observed increasing attempts by north Korea to undermine the security and well-being of the Republic of Korea and its people, the Commission strongly believes that, under present circumstances, the presence of the political and military arms of the Organization in the Republic of Korea, that is, the United Nations Commission for the Unification and Rehabilitation of Korea and the United Nations Command, contribute to the preservation of peace in the area.

### 3. The Korean question at the twenty-second session of the General Assembly

15. At its twenty-second session, the General Assembly included in the agenda an item entitled "The Korean Question: (a) report of the United Nations Commission for the Unification and Rehabilitation of Korea; (b) withdrawal of United States and all other foreign forces occupying south Korea under the flag of the United Nations; (c) dissolution of the United Nations Commission for the Unification and Rehabilitation of Korea".

16. The Assembly referred the item to the First Committee which considered it at its 1511th to 1514th meetings on 30 and 31 October, and at its 1516th to 1524th meetings from 1-8 November 1967.

17. At its 1514th meeting on 31 October 1967, the Committee adopted by a roll-call vote of 58 to 28, with 25 abstentions, a thirteen-Power draft resolution, 6/ by which it decided to invite a representative of the Republic of Korea to take part in the discussion of the Korean question without right of vote and reaffirmed its willingness to invite also a representative of the Democratic People's Republic of Korea to take part in the discussion of the Korean problem without right of vote

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6/ A/C.1/L.399, A/C.1/L.399/Rev.1.

provided it first unequivocally accepted the competence and authority of the United Nations within the terms of the Charter to take action on the Korean question.

18. At the same meeting, the Committee rejected by a roll-call vote of 50 to 37, with 24 abstentions, a ten-Power amendment, 7/ which would have the Committee decide to invite simultaneously and without conditions a representative of the Democratic People's Republic of Korea and a representative of the Republic of Korea to take part in the discussion of the Korean question without right of vote.

19. At its 1523rd meeting on 7 November 1967, the Committee rejected by a roll-call vote of 59 to 24, with 29 abstentions, a fourteen-Power draft resolution, 8/ which would have the Assembly decide that all American and other foreign military personnel deployed in south Korea under the title of "United Nations Forces" should be withdrawn in their entirety, with their weapons and equipment, within a period of six months following the adoption of the resolution; and that there should be no further discussion of the "Korean Question" in the United Nations.

20. The Committee also rejected by a roll-call vote of 60 to 24, with 29 abstentions, a sixteen-Power draft resolution, 9/ which would have the Assembly consider that the question of the unification of Korea should be settled by the Korean people itself, in conformity with the principle of the right of self-determination of peoples; note that the United Nations Commission for the Unification and Rehabilitation of Korea not only could make no practical contribution to the solution of the Korean question, but was creating obstacles to such a solution; and decide to dissolve the Commission within a minimum period of two months from the date of adoption of the resolution.

21. At the same meeting, the Committee adopted by a roll-call vote of 67 to 23, with 23 abstentions, a fifteen-Power draft resolution, 10/ which was subsequently adopted by the General Assembly at its 1598th meeting on 16 November 1967 by a roll-call vote of 68 to 23, with 26 abstentions, as resolution 2269 (XXII).

22. By this resolution, the General Assembly reaffirmed the United Nations objectives in Korea; expressed the belief that arrangements should be made to achieve these objectives through genuinely free elections held in accordance with relevant resolutions of the General Assembly; requested UNCURK to intensify its efforts to achieve these objectives and to continue to carry out the tasks previously assigned to it by the General Assembly; and, finally, noted that United Nations forces which were sent to Korea in accordance with the United Nations resolutions had in greater part already been withdrawn; that the sole objective of the United Nations forces presently in Korea was to preserve the peace and security of the area, and that the Governments concerned were prepared to withdraw their remaining forces whenever such action was requested by the Republic of Korea or whenever the conditions for a lasting settlement formulated by the General Assembly had been fulfilled.

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7/ A/C.1/L.400 and A/C.1/L.400/Rev.1.

8/ A/C.1/L.401 and Add.1 and 2.

9/ A/C.1/L.404 and Add.1-3.

10/ A/C.1/L.405 and Add.1.

4. Actions by the Commission in response to  
resolution 2269 (XXII)

23. On 31 July 1968, the Commission broadcast a message in which it appealed to all Korean leaders to co-operate with the Commission, to exercise restraint and to contribute to an easing of the tension between the north and south of Korea. The Commission reaffirmed its readiness to co-operate with all leaders of the Korean people to assist them in every possible way and to give full consideration to any fresh proposals or new approaches conducive to the achievement of the unification of Korea (see annex VI for the text of UNCURK's statement).

24. In response to the message broadcast by the Commission, the Ministry of Foreign Affairs of the Republic of Korea issued a statement on 1 August 1968 in which it reaffirmed that the Government of the Republic of Korea will continue to accept the competence and authority of the United Nations to deal with the Korean question, to uphold and support the role of the United Nations in Korea and to render unsparing co-operation to the United Nations Commission for the Unification and Rehabilitation of Korea (UNCURK) in its effort to attain the established objectives of the United Nations. The Ministry also referred to "military provocation against the Republic of Korea" and declared that "until such provocation is abandoned and until the north Korean communist aggressors come to accept the competence and authority of the United Nations, the United Nations must stand ever more firm and vigilant against communist aggression to guarantee freedom and progress in the Republic of Korea and the peace and stability in this area".

25. As of the date on which this report was signed, the Commission was unable to record the response of the north Korean authorities to the Commission's broadcast appeal for co-operation.



## Chapter II

### POLITICAL DEVELOPMENT AND EXTERNAL RELATIONS OF THE REPUBLIC OF KOREA

#### A. Introduction

26. The Commission was concerned with the increasing threat to peace and security in the area, and sought to increase its knowledge of those factors affecting this situation in the hope of making its contribution to the lessening of tension, and ultimately to the creation of conditions conducive to peaceful unification.

27. The Commission kept under constant review the frequency of incidents in the vicinity of the demilitarized zone and off the coast of Korea and the intensification of activities of the agents who infiltrated into the territory of the Republic of Korea.

28. The Commission gave particularly close attention to the north Korean commando raid against the presidential mansion on 21 January 1968 and other serious incidents, including the seizure of the USS Pueblo, which was debated in the Security Council on 26 and 27 January 1968.

29. The Commission continued to observe closely the functioning of representative government and the general political and economic developments in the Republic of Korea. During the period under review, the Commission witnessed a broadening of the scope of the foreign policy of the Republic and particularly in its relationship with Asian and African States. The Commission is happy to state that it has received the full co-operation of the Government of the Republic of Korea and its members were able to travel freely throughout the Republic of Korea.

#### B. Political development

##### 1. Executive

30. The executive branch of the Government continued to be concerned not only with the promotion of a sustained high rate of economic growth under conditions of stability, but also applied itself urgently to the strengthening of national defence in order to neutralize the increasing threats posed to the security of the Republic by north Korean actions and declarations. The Government sought improved security through ministerial and administrative adjustments; establishment or consolidation of agencies concerned with defence and security matters; modernization of the armed forces and the national police; inauguration of the Homeland Reserve Force; and review of mutual security arrangements.

31. In a move apparently designed to improve administration of economic and social affairs, the President, on 3 October 1967, carried out a partial reshuffle involving the Ministries of Economic Planning, Commerce and Industry, Transportation, Communications, and Construction.

32. In a further cabinet reshuffle carried out on 21 May 1968, the President dismissed the Ministers of Finance, of Agriculture-Forestry and of Education. He appointed the former Transportation Minister as Minister of Home Affairs; the former Communications Minister as Minister of Finance; the former Home Affairs Minister as Minister of Justice; the former Justice Minister as Minister of Education; the former Governor of Kyongsang-namdo as Minister of Agriculture-Forestry; the former Vice-Defence Minister as Minister of Transportation; and the former Vice-Minister of the Economic Planning Board as Communications Minister. This was followed by other changes at the vice-ministerial level on 24 May 1968.

33. Following the intrusion of armed north Korean agents into Seoul on 21 January, and in response to pressures by the National Assembly, particularly the opposition New Democratic Party, changes were made in the Ministry of Home Affairs, the national police and the Ministry of National Defence, with the appointments on 22 February 1968 of the Army Vice-Chief of Staff as Vice-Minister of Home Affairs, the presidential Secretary for Political Affairs as Director of National Police, and on 27 February, of an Assemblyman and retired Army general as Minister of National Defence.

34. On 5 August 1968, the President accepted the resignation of the Minister of National Defence and appointed the Chairman of the Joint Chiefs of Staff, General Im Chung Shik (retired), to replace the outgoing Minister.

35. Other measures directed towards preparing the nation to respond more effectively to threats posed to the Republic's security by the north Korean actions included the setting up by the Government of a Counter-espionage Operations headquarters under the Joint Chiefs of Staff in order to centralize the control of anti-espionage operations previously conducted separately by the military, police and intelligence agencies, and the establishment, as a supplementary organ under the direction of the Prime Minister, with Cabinet Ministers and members of the National Security Council as members, of a Central Co-ordination Office for Anti-espionage Operations as an advisory body to the President.

36. In still another effort to strengthen the defence and security of the Republic, the Government officially activated, on 1 April 1968, the Homeland Reserve Force of over 2 million reservists throughout the country. The activation of the Homeland Reserve Force, initially carried out by executive decisions, was regularized on 10 May 1968, when the National Assembly passed the Administration-proposed bill on the Amendment to the Law on Establishment of the Homeland Reserve Force, thus providing the legal basis for the organization of the Homeland Reserve Force "to safeguard important facilities and logistical lines against the agents of an enemy or anti-State organizations or armed persons under the instruction of such organizations". The bill was passed by the National Assembly against the opposition of the New Democratic Party, which argued that the arming of the reservists would be costly and might create a state of tension detrimental to the sound development of democracy in the country.

37. In the field of defence, the Government decided to seek additional external assistance to accelerate the modernization of its armed forces, national police and intelligence and security agencies. The communiqué issued on 15 February at the conclusion of the visit to Seoul of Mr. Cyrus R. Vance, Special Envoy of the President of the United States of America, and subsequent statements by the Government of the Republic of Korea indicated that early agreement to that end had

been reached between the two Governments. In addition, the United States increased its contribution to the Republic's air defence capability.

38. As a result of intensive consultations, the Governments of the Republic of Korea and the United States of America reaffirmed their mutual defence commitments. The communiqué issued at the conclusion of Mr. Vance's visit

"reaffirmed the commitment of the two countries to undertake consultations whenever the security of the Republic of Korea is threatened. They noted the extraordinary measures which have been and are being taken to strengthen the Korean and American forces in this area so as to leave them in a state of readiness to deal with any contingency which might arise. ... [They] recognized the need for continuing modernization of the armed forces of the Republic of Korea... and discussed the subject of supplying small arms to the Korean veterans in order to strengthen further the defence capabilities of the Republic of Korea."

Further consultations between the Governments of the United States of America and the Republic of Korea took place at the highest level when President Lyndon B. Johnson and President Park Chung Hee meet in Honolulu on 18 April 1968 (see paragraphs 69-72 and annex VIII).

39. During the period under review, the Government of the Republic of Korea maintained the level of its troops in Viet-Nam.

## 2. Legislature

40. The Seventh National Assembly, constituted following the elections of 8 June 1967, was faced with sharp conflicts between the majority Democratic Republican Party and the main opposition New Democratic Party, arising from divergent views as to the extent of alleged irregularities in the conduct of the elections and the means to be employed to deal with the situation. Those conflicts were marked by demonstrations and legal actions, instituted by the New Democratic Party, demanding nullification of the elections and correction of alleged irregularities; intermittent and often prolonged boycotts of the Assembly, procedural manoeuvres and occasional physical clashes hampering Assembly proceedings. The National Assembly was thus unable to function during its sixty-first session, held from 10 July to 8 August 1967, owing to the boycott by the New Democratic Party Assemblymen-elect. Its activities were limited to electing the Speaker and one of the two Vice-Speakers, accepting the resignation of two Assemblymen and adopting a resolution inviting the New Democratic Party members to attend the Assembly. Its sixty-second session, held from 1 September to 29 December 1967, was also handicapped until the New Democratic Party Assemblymen-elect ended their 140-day boycott on 29 November and attended the Assembly following the conclusion of an agreement between the Democratic Republican Party and the New Democratic Party on 20 November providing for measures designed to compose outstanding inter-party differences. The agreement called, inter alia, for formation of a special committee charged with the investigation of irregularities in the 8 June National Assembly elections and of another special committee responsible for drafting revisions of the election laws including the Election Management Committee Law, the Political Party Law and the Law concerning Political Funds. During the remaining

period of the sixty-second session, the Assembly was able to pass twenty-three bills, to give consent to four government requests for legislative approval, and to adopt nine resolutions including a resolution ratifying the bipartisan agreement of 20 November.

41. On 19 December, the New Democratic Party members started a sit-in protest in the Budget Committee, contending that the Democratic Republican Party had unduly rushed the Committee deliberation of the 1968 Budget Bill, and, on the following day, they extended their sit-in protest to the main chamber of the National Assembly. On 28 December, the Assembly passed the Budget Bill without debate despite physical resistance by the New Democratic Party members, the latter walked out of the Assembly in protest, and, the following day the sixty-second session came to an end.

42. Following the infiltration of the thirty-one man-armed north Korean commando unit into Seoul on 21 January and the seizure of the USS Pueblo two days later, the floor leaders of the two major parties were able to agree to convene on 31 January an extraordinary session of the Assembly to consider measures to cope with the situation.

43. In the course of the session, the Prime Minister and certain members of the Cabinet were interpellated. On 6 February, the Assembly adopted a resolution 11/ which, inter alia, demanded that the Government, on its own, take stern measures against the recurrence of any such intrusions by north Koreans; expressed its concern that without the prior consent of the Government, secret negotiations between the United States and north Korea relating to the seizure of the Pueblo were being undertaken in Panmunjom, a part of the national territory; urged the Government to review treaties and agreements concluded between the Republic of Korea and other nations with a view to ensuring national security and automatic action in the event of future emergencies; and demanded that the Government take disciplinary action against those officials found derelict in connexion with the incident of 21 January.

44. In the course of the session, despite opposition by the New Democratic Party, the Assembly passed twenty bills, gave its consent to eight government requests for concurrence, and adopted several resolutions, including the resolution on national security referred to in paragraph 43 above, and a resolution extending the period for drafting a law to form a special committee charged with the investigation of irregularities in the National Assembly elections of 8 June.

45. The composition of the National Assembly, at the time of writing the report, is as follows:

<u>Party</u>	<u>Number of seats</u>
Democratic Republican Party	112
New Democratic Party	45
Party of the Masses	1
October 5 Club (Negotiation Group)	12
Independent	2
Vacancies	3
	<u>175</u>

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11/ See annex VII.

46. By-elections are scheduled to be held on 24 September 1968 in three electoral districts, namely, in Puyo, Chungchong Namdo province, in Kochang, Cholla Pukdo province, and in Hwasun-Koksong, Cholla Namdo province, to fill the three vacancies created by resignations.

### 3. Political parties

47. As is apparent from the above table, in the 175-member National Assembly, the Democratic Republican Party (Minju Konghwa dang), with its 112 seats, continued to be the majority Party, while the New Democratic Party (Sinmin dang) with forty-five seats, constituted the major opposition party.

48. The two major parties made a determined effort to resolve the political crisis arising from the National Assembly elections of 8 June. With the expulsion of some Assemblymen-elect, allegedly involved in election frauds, from the majority party, the reciprocal withdrawal of numerous election suits and the signing of the bipartisan agreement of 20 November, the parties succeeded in reducing considerably the area of their differences. Certain difficulties still remain to be resolved, however, since the efforts to implement the bipartisan agreement have given rise to differences of opinion as to the constitutionality of some of its provisions.

### C. Incidents affecting the security of the area

49. Since the Commission last reported to the General Assembly, several significant incidents have occurred in the Republic of Korea and off the Korean coast, which involve a threat to the security of the Republic and to international peace.

50. On 5 September 1967, three coaches of a passenger train and, on 13 September, eight cars of a cargo train carrying military supplies were blown up and derailed by explosives at two stations located south of the demilitarized zone.

51. According to the information of the United Nations Command, from 1 August 1967 to 21 August 1968, many incidents occurred in the vicinity of the demilitarized zone, which resulted in 129 United Nations Command personnel killed and 288 wounded and 154 north Koreans killed, nineteen wounded and fifteen apprehended. The casualties for the first eight months of 1968 (1 January to 21 August 1968), including those resulting from the incident of 21 January (see paragraphs 54-55 below), were sixty-seven United Nations Command personnel killed, 139 wounded, four missing and 105 north Koreans killed, nineteen wounded and one apprehended (see annex IX).

52. The casualties for 1967 were 131 United Nations Command personnel killed, 294 wounded, and 200 north Koreans killed, while those for 1966 were thirty-five United Nations Command personnel killed, twenty-nine wounded, and eighteen north Koreans killed.

53. In addition to these incidents on land, several others were reported to have occurred off the Korean coast involving attacks on and abductions of a number of the Republic of Korea fishing boats and their crews by north Korean patrol boats.

54. On 21 January, a thirty-one-man north Korean commando unit intruded into Seoul within a few hundred metres of the Presidential mansion with the intention of assassinating President Park. By 4 February, counter-espionage teams had killed twenty-seven and captured one of the thirty-one men; the remaining three were believed to have died of exposure and hunger in the mountains near the demilitarized zone. On the side of the Republic of Korea, thirty-four were killed (twenty-four soldiers, two policemen and eight civilians) and fifty-six were wounded (forty-seven soldiers, five policemen and four civilians). Two United States soldiers were killed and twelve were wounded.

55. In a memorandum dated 24 January 1968, submitted to the Secretary-General of the United Nations, the Government of the Republic of Korea referred to the 21 January incident and the seizure of the USS Pueblo as "a most serious manifestation of the aggressive designs of the north Korean communists".

56. The threats to the security of the Republic implicit in these incidents would appear to have so influenced the formation and implementation of public policy, particularly in the fields of defence and external relations, of the Republic of Korea that, following these incidents, the Government in rapid succession sought and obtained additional assistance to promote the modernization of its armed forces, its national police and its intelligence and security agencies; held consultations with the United States Government at various levels on measures which would be taken under the existing mutual defence treaty in the event of renewed aggression; carried out the organization of over 2 million reservists in the Homeland Reserve Force; and initiated plans to build munition industries, reactivate air bases and construct missile sites.

57. In connexion with the alleged espionage ring based in east Berlin referred to in the Commission's report for 1967, 12/ the Seoul Appellate Court on 13 April 1968 pronounced its verdict on twenty-two appellants who were convicted by the Seoul District Criminal Court for violations of the National Security Law, the Anti-communist Law and the Foreign Exchange Law. The Appellate Court sentenced three of the appellants to capital punishment, one to life imprisonment, two to fifteen years' imprisonment, four to ten years' imprisonment, one to five years' imprisonment, three to three and a half years' imprisonment, one to three years' imprisonment and suspended the sentences of the remaining seven appellants.

58. On 23 April 1968, the Seoul Prosecution Office appealed to the Supreme Court to review the Seoul Appellate Court's verdict in the case. On 30 July 1968, the Supreme Court annulled the Appellate Court's verdict in all the cases involving capital punishment, life imprisonment, fifteen years' imprisonment, and ten years' imprisonment, and in two of the three cases involving three and a half years' imprisonment, on the ground that the defendants were charged under the National Security Law and the Criminal Code when they should have been charged under the Anti-communist Law, and remanded the cases for retrial. The Supreme Court confirmed the verdict of the Appellate Court in two cases, one involving five years' imprisonment, the other three years' imprisonment and seven cases involving suspended sentences.

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12/ See Official Records of the General Assembly, Twenty-second Session, Supplement No. 12 (A/6712), para. 107.

59. In another alleged espionage case, the Seoul Appellate Court handed down its verdicts on seven appellants, who had been convicted by the Seoul District Criminal Court on 16 December 1967 on charges of espionage activities for the north Korean régime under cover of an organization known as the "Society for Comparative Study of Nationalism". Two were sentenced to two years' imprisonment, two to one and a half years' imprisonment and the remaining three were acquitted. The Seoul Prosecution Office took the case on appeal to the Supreme Court, which, on 30 July 1968, remanded for retrial the four cases involving terms of imprisonment and confirmed the three cases of acquittal.

60. Several other espionage and suspected subversion cases recently uncovered were still under investigation when this report was completed.

#### D. External relations

##### 1. Statements on foreign policy

61. The President, in his budget message delivered to the National Assembly on 16 October, announced that the Government's primary objectives in 1968 would be to increase national income; strengthen defence capability; enhance national prestige; continue to promote traditional amicable relations with the United States and other free nations; strengthen mutual co-operation in economic, social and cultural fields with Asian nations; and promote co-operation between Korea and Japan with mutual respect for sovereign rights and bona fide implementation of existing treaties.

62. At a press conference on 5 January, the Minister of Foreign Affairs announced that the Government in 1968 would make a positive approach towards the non-aligned nations, strengthen ties with the United States and other friendly States, and promote economic relations and co-operation in the South-East Asia and Pacific areas.

##### 2. Diplomatic and consular relations

63. The Republic of Korea has established or agreed to establish diplomatic and/or consular relations with eighty-seven States of which eighty-five are Members of the United Nations. A list of the States with which diplomatic and consular relations are maintained appears in annex XII.

64. The Republic continued to maintain an Office of the Permanent Observer to the United Nations in New York, a mission to international organizations and the European Office of the United Nations in Geneva and a mission to the European Economic community.

65. The Republic recognized the newly independent States of the People's Republic of South Yemen and Mauritius.

##### 3. International treaties and agreements

66. The total number of treaties and agreements to which the Republic has become a party since its establishment stands at 328. A list of treaties and agreements concluded during the period under review is given in annex XII.



#### 4. Participation in international meetings and conferences

67. The Republic of Korea took part in the discussion of the Korean question at the twenty-second session of the General Assembly of the United Nations and participated in a number of conferences organized by the United Nations, the specialized agencies and other related bodies. A list of the international conferences attended by representatives of the Republic of Korea appears in annex XII.

68. Foreign Minister Choi Kyu Hah participated in the Foreign Ministers' meeting of the seven allied nations in the Viet-Nam war held in Wellington, New Zealand in April 1968. The Foreign Minister also participated in the meeting of the Asia and Pacific Council (ASPAC) held in Canberra, Australia, from 23-25 July 1968.

69. President Park Chung Hee met with President Lyndon B. Johnson in Honolulu on 18 April 1968 to discuss matters of mutual concern.

70. In the communiqué<sup>13/</sup> issued at the conclusion of the meeting, the two Presidents referred to

"increasingly belligerent and aggressive actions of the north Korean communists during the past eighteen months, including the attack directed at the official residence of the President of the Republic of Korea and the seizure of the USS Pueblo in international waters in January, and agreed that further aggressive actions by the north Korean communists would constitute a most grave threat to peace, in which event<sup>7</sup> their two Governments would immediately determine the action to be taken to meet this threat under the mutual defence treaty between the United States and the Republic of Korea".

71. The two Presidents reviewed the extraordinary measures which had been taken to strengthen Korean and American forces in the Republic of Korea and they agreed that those efforts should be continued in order that their armed forces would be able "to deal effectively and swiftly with all contingencies in Korea".

72. The two Presidents agreed that the contribution which United States military assistance would make to the continuing modernization of the armed forces of the Republic of Korea and to the strengthening of the effective counter-infiltration programmes, which had already been developed by the Republic of Korea, would be discussed at the first meeting of their Defence Ministers.

73. In accordance with the above decision, the first meeting between Mr. Clark Clifford, United States Secretary of Defence and Mr. Younghi Choi, Minister of National Defence of the Republic of Korea, was held in Washington, D.C. from 27-28 May 1968. A joint statement issued at the conclusion of the meeting noted "the increased military threat to the Republic of Korea... and the extraordinary measures which have been and are being taken by the United States and the Republic of Korea to strengthen further the capability of their forces to defend against those serious threats".

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<sup>13/</sup> See annex VIII.



74. During the period under review, several other consultations between defence officials and military personnel of the two countries were held in Seoul to discuss matters relating to defence installations and logistics.

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

75. Members of the Government of the Republic of Korea making official visits abroad included Prime Minister Chung Il Kwon, who paid a four-day official visit to Thailand in September 1967 and attended the inauguration of President Nguyen Van Thieu and Vice-President Nguyen Cao Ky of the Republic of Viet-Nam in October, and President Park Chung Hee, who attended the memorial services for the late Australian Prime Minister Harold Holt in December.

76. In the course of July and August 1968, four separate goodwill missions were dispatched by the Government of the Republic of Korea to visit countries in East Africa and West Africa, the Middle East and Latin America.

77. On invitation by the Republic of Korea, His Imperial Majesty Haile Sellasie I, Emperor of Ethiopia paid a State visit from 18-21 May 1968.

78. Among the foreign dignitaries who visited the Republic of Korea were the following in chronological order according to the dates of their visits:

His Excellency Ambassador Salvador P. Lopez, Permanent Representative of the Philippines to the United Nations;

Honourable H. Achmad Sjaichu, Speaker of the House of Representatives of Indonesia;

Honourable Alexander B. Trowbridge, United States Secretary of Commerce;

His Excellency Mr. James Nyamweya, Foreign Minister of Kenya;

His Excellency General Prapass Charusathiara, Deputy Prime Minister of Thailand;

Honourable Orville L. Freeman, United States Secretary of Agriculture;

Five Chilean legislators including Senators Francisco Bulnes Sanfuentes and Julio Duran Neumann, Representatives Enrique Zorrilla Concha, Jorge Iavanderos Illanes and Raul Morales Adriasola;

His Excellency Ambassador Adamou Mayaki, Permanent Representative of Niger to the United Nations;

His Excellency Mr. Thanat Khoman, Foreign Minister of Thailand;

His Excellency Mr. Her Tasning, Assistant Foreign Minister of Indonesia;

His Excellency Ambassador Alexandre J. Ohin, Permanent Representative of Togo to the United Nations;

Honourable E.L. Mallalieu, Member of the British Parliament;

Honourable William P. Bundy, United States Assistant Secretary of State for East Asian Affairs;

His Excellency Ambassador George Ball, United States Permanent Representative to the United Nations;

Honourable Joseph Sisco, United States Assistant Secretary of State for International Organization Affairs;

His Excellency Ambassador Christopher O.E. Cole, Permanent Representative of Sierra Leone to the United Nations.

79. A sixteen-man agricultural survey mission of the Asian Development Bank, a seven-man trade mission from El Salvador and a twenty-two-man trade mission from Italy also visited the Republic of Korea.

6. Membership in international governmental and non-governmental organizations

80. While the Republic of Korea is not a Member of the United Nations, it is a member of all but one of its specialized agencies, namely, FAO, UNESCO, WHO, the International Bank for Reconstruction and Development and its affiliates (the International Finance Corporation and the International Development Association), the International Monetary Fund, ICAO, ITU, UPU, WMO, IMCO, IAEA.

81. The Republic is also a member of UNICEF, the United Nations Development Programme, the United Nations Conference on Trade and Development, ECAFE, and the Commission on Narcotic Drugs.

82. In addition, it is a member of the following intergovernmental organizations: GATT, 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, Afro-Asian Rural Reconstruction Organization and the Asian and Pacific Council (ASPAC).

83. There are at present in the Republic a large number of local organizations or groups affiliated with international non-governmental organizations, including the World Federation of United Nations Associations, the International League for the Rights of Man, the Asian Regional Organization of the International Confederation of Free Trade Unions, the Commission on Asian and Far Eastern Affairs of the International Chamber of Commerce, the International Council of Women, the International Federation of University Women, the Inter-Parliamentary Union, the Afro-Asian Organization for Economic Co-operation and Asian Parliamentary Union.

## Chapter III

### ECONOMIC DEVELOPMENT OF THE REPUBLIC OF KOREA

#### A. Introduction

84. During the period under review, the Republic continued its progress with a high rate of economic growth, exceeding its planned target and consolidating its past achievements.

85. The continued economic progress of the Republic had not been adversely affected to any significant extent by the threats to its security. Increased allocation of resources for economic development was achieved despite the claims of defence expenditure. Major tax reforms were introduced, which were aimed not only at bringing additional revenues, but also at spreading the cost of economic development with equity and uniformity. International confidence in the stability of the Republic was reflected in increasing foreign investment.

86. The Republic's determined pursuit of economic growth did result in inflationary pressures. The Government showed a marked awareness of the sources of inflationary pressures, even though such pressures were less serious than in the previous years, and stabilization policies were formulated towards controlling them.

87. The Republic's resources for economic development continued to be augmented by capital inflow from abroad. External resources were increasingly in the form of foreign capital, seeking the high return that the Republic provides for investment. Direct foreign grants continued to decline in their importance. In fact, the increased rate of foreign investment was of such magnitude that the Government considered it necessary to regulate the conditions under which foreign capital could be introduced into the Republic.

88. While the rapid growth of the economy was maintained, greater attention was devoted to correcting the imbalances that develop in a rapidly-growing economy. Steps were taken towards broadening the industrial base through the establishment of basic industries. To the extent permitted by the widening trade deficit imports were further liberalized and a tariff policy drawn up to gear domestic industries to competitive efficiency. Priority was given in planned investment to relieve the shortages in power and, to a less adequate extent, in transport facilities. In contrast, the progress of the Republic toward self-sufficiency in foodgrains had a set-back during the period under review. Agricultural output continued to be subject to the vagaries of rainfall and the fall in agricultural output necessitated increased import of food grains.

89. The Republic's export performance continued to be impressive and the growing import requirements of the economy were financed to an increased extent by the

vigorous growth in exports. To sustain its export performance, the Republic had been increasing the range of manufactures for export to include not only diverse manufactured goods but also processed primary products. The Republic has steadily intensified its efforts to mobilize domestic resources for development. However, it will continue to need inflow of resources from abroad for reaching its goal of rapid modernization of the economy.

#### B. Rate of economic growth

90. In 1967, the first year of the Second Five-Year Development Plan, the rate of growth in the Republic's real national product, though lower than in 1966, exceeded the target rate of 7 per cent (see table 1).

91. Compared to the record rate of growth of 13.4 per cent in the previous year, the real national product expanded in 1967 by 8.9 per cent to 995.43 billion won. Though the higher rates of growth in the manufacturing and other sectors have brought about gradual structural changes, agriculture continues to be the backbone of the economy and the crop failure due to drought dampened the rate of growth of the economy during 1967.

92. According to official mid-year estimates, the Republic had a population of 29.7 million in 1967, with a decrease in its rate of growth from 2.4 per cent in 1966 to 2.1 per cent in 1967. Real per capita income (at 1965 constant prices) has been unofficially estimated to have increased from about \$US100 in 1966 to about \$US106 in 1967.

#### C. Production trends

##### 1. Agriculture

93. During 1967, primary sector output did not maintain its past rate of growth and sharply declined by 6 per cent from its level in the previous year; during 1966 primary sector output had grown by 11 per cent. The fall in agricultural output, particularly food grains, outweighed the steady rate of increase in forestry and fishery output (see table 1).

94. The prolonged drought in 1967 adversely affected the output of food grains, almost all of which showed a significant decrease. Production of major food grains, rice and barley declined by 8 and 5 per cent respectively from their levels in 1966. Output of the main subsidiary crop, potatoes, fell by one third. Among the industrial crops, there was a reduction in the output of tobacco by nearly one half and of raw cotton by one eighth (see table 2).

95. The Republic's progress towards its goal of self-sufficiency in food grains by 1970 was severely interrupted during the period under review. At the end of the First Five-Year Plan, by 1966, the Republic had reduced its dependence on imports from about 15 per cent to within 10 per cent of its requirements; according to the official over-all demand and supply programme for food grains, the Republic would have to import nearly 17 per cent of its requirements during 1968.

96. Progress in irrigation projects to safeguard agriculture from uncertainties in rainfall did not seem to have kept its past momentum. At the same time, supply of inputs like fertilizers, lime and improved seeds was reported to be adversely affected by transport bottle-necks. The Republic had been adding to its land resources through upland and tideland reclamation and, in that respect also, the past progress was not maintained. In the years ahead, the Government proposes to devote increased efforts to the development of agriculture, along with that of power and transport, under the upward revision of the total investment target under the Second Five-Year Plan by 51 per cent (see table 3).

97. Marine production in the aggregate continued to expand, with an increase during 1967 of 11.4 per cent. The increase in total fish catch was considerably higher than in the previous year; however, there was no corresponding increase in the share of deep sea fish catch to the total (see table 2).

98. During 1967, there was a trebling of the area under afforestation with an increase of about one third in the number of trees planted (see table 2).

## 2. Mining, manufacturing and energy

99. Output in the secondary sector showed a high rate of growth of 21.6 per cent as compared to 17 per cent in 1966. Manufacturing registered a record rate of growth of 23.9 per cent as compared to 16.1 per cent during 1966 (see table 1).

100. The mining sector, which contributes less than 2 per cent to the gross national product, increased its output in 1967 and in the first half of 1968, which was a reversal of the trend in 1966. Coal continued to be the main component of mining output; the increase in its output, owing to the expanding demand from industry and households, outweighed the fall in the output of diverse minerals, including iron ore, which the Republic largely exports.

101. There was an acceleration in the rate of growth of manufacturing; the revised series of index of manufacturing, with 1965 as the base, recorded an increase from 117.3 in 1966 to 142.1 during 1967 and to 180.4 by the first half of 1968 (see table 4).

102. Expansion in exports continued to provide the major impetus to industrial growth, aided by further liberalization of imports of raw materials and machinery. While the output of leading export items, like textile yarn and fabrics, plywood and other wood manufactures, continued to increase, new industries catering to the export market took root and expanded, like the production of electronic components and wigs. Increased diversity in industries manufacturing for exports was to be brought about by the development of canning of farm and fishery products through the newly established Agricultural and Fishery Development Corporation. The Republic has a well-developed construction industry but the levelling-off in its rate of expansion resulted in a slackening in the rate of increase in the output of construction materials.

103. With its active pursuit of the policy of import replacement through domestic production, the Republic attained self-sufficiency in nitrogenous fertilizer and paper. Also, the Republic plans to treble its cement output capacity and to achieve export capacity in aluminium ingots in the coming three years. Output of

machinery industry had been growing, but their imports, financed by foreign loans, had increased much more, underlining the need for rationalizing this vital industry.

104. The Republic's efforts at import substitution were mainly centred, during the period, on the construction of an iron and steel industry and a petrochemical complex. Beginnings were made with the construction of an iron and steel mill with an annual capacity of the equivalent of 600,000 MT ingots equivalent; total investment in the plant would amount to \$160 million with a foreign exchange component of \$95 million. Foreign financing was secured for the building of a petrochemical complex at a cost of \$140 million with a foreign exchange component of \$70 million. A noteworthy feature of the project is the planned exchange of caprolactum from the Republic for Di Methylene Terephthalic Acid (DMT) from the Republic of China.

105. Owing to the rapid growth of the economy, particularly in manufacturing, demand for electric power rose at a rate of 27 per cent per year as against the original estimate of about 16 per cent. Also, the prolonged drought in 1967 led to the closing of some hydro-power plants and to the curtailment of power supply to industries. Under the revised programme, it is planned to increase the power capacity from about 800 MW in 1966 to about 2,900 MW by 1971. The Government has secured the major part of the necessary foreign funds for the construction of additional power capacity, mostly thermal.

106. In view of the limited coal reserves of the Republic, the shift in energy consumption to oil as well as electricity continued. In addition to expansion of the Ulsan oil refinery capacity from 55 to 115 thousand barrels per day, it was planned to build a new 60,000-barrel refinery in Yosu. The Republic has currently achieved near self-sufficiency in gasoline and, with the maturing of the petrochemical complex, will considerably reduce its dependence on imports of petroleum products.

### 3. Tertiary sector

107. Tertiary industries, in the aggregate, grew faster during 1967 by 15.6 per cent as against 13.6 per cent during 1966. The growth in transportation, communications and storage sectors was 20.9 per cent, which is 3.7 per cent higher than in 1966 (see table 1).

108. Transportation bottle-necks, however, continued to hamper economic growth as actual expansion and intensive utilization of the capacity of railways, which account for the major part of the traffic in passengers and goods, fell short of even the modest plan targets. The rate of increase in the number of vessels plying in coastal trade and traffic and in the number of ships built was also modest. The Republic has made a start with the construction of super-highways with a target of 52.78 kilometres during 1968 (see table 5).

## D. Investment and savings

### 1. Investment

109. The Republic devoted an increased proportion of its resources to capital formation in 1967 though the rate of economic growth decreased from its unprecedented high level in 1966 (see table 1).

110. In 1967, gross capital formation in the Republic rose from the previous year's level, absolutely and in proportion to gross national product; however, the rate of increase from 22.7 to 24.3 per cent was modest compared to its average in the past five years. Unlike in the previous year, the increase in the rate of capital formation was financed by a comparatively greater rate of increase in external, as compared to domestic, resources. Consumption, both public and private, continued to be at the same level as in the preceding year. The rate of domestic saving, of about 13 per cent, was nearly the same as in the past year, leading to determined efforts on the part of the Government to increase the rate in 1968.

### 2. Government finances

111. The Government's fiscal policy, during the period under review, aimed at accelerating the rate of domestic saving and channelling of increased resources to economic development (see table 6).

112. Rising expenditure was to be matched by increased tax revenue under the 1967 (second supplementary) budget and the 1968 (original and first supplementary) budgets. The rate of increase in tax revenue budgeted for was such that the small deficit on government account and the considerably larger deficit on government enterprises account was to be significantly reduced; also, the consolidated deficit under the 1968 budget was to be half that under the 1967 budget. At the same time, the 1968 budget avoided deficit financing in the form of borrowing from the central bank and the rate of drawing on cash reserves was reduced by one fifth.

113. Direct foreign grants to the budget, comprising counterpart funds generated by the sale of United States agricultural commodities and financial support for the Republic of Korea troops in the Republic of Viet-Nam, accounted for a decreasing proportion of government revenue. There was also to be a reduction in government borrowing from abroad.

114. With the tax administration having been streamlined during the past three years, the 1968 (original) budget introduced various tax reforms aimed at raising the share of tax revenues in total government revenues from two thirds to nearly three fourths. The tax reforms were retained, with minor modifications, in the first supplementary budget for 1968. Besides mobilizing resources for economic development, the reforms were designed to bring about equity in personal income taxation, to stimulate investment in open corporations through tax concessions, to channel savings into productive investment by discouraging speculation in real estate and to discourage luxury consumption by commodity taxation and tariff changes.

115. Like many other developing countries, the Republic also resorted to indirect taxes to finance its development needs. The increase in public utility rates and in

the prices of government monopoly products would, to some extent, contribute to a rise in prices; it also served to make public enterprises self-supporting.

116. Under the tariff reform introduced in the 1968 (original) budget, the new tariff law would divide goods into protected items and revenue items. Protective tariffs would apply mostly to manufactured goods and to luxury goods, which were also subject to commodity tax, and they were to be levied in such a way as to encourage efficiency in industries. Non-protected items would be subject to a uniform rate of 20 per cent with exemptions for industrial machinery and raw materials. At the same time, the range of exemptions from the special customs duty was to be gradually extended.

117. Expenditure under the 1967 (second supplementary) and 1968 (original) budget maintained, at a higher level, the same pattern as before; under the first supplementary budget for 1968, however, the share of expenditure on economic development was to be increased with proportionate reduction in civil and defence expenditures.

118. Civil expenditure continued to rise absolutely because of the increase in salary of government employees and in government outlay for social services and for operation and maintenance of the expanding public sector projects.

119. Defence expenditure also rose. Its share in the total had remained constant in the previous two budgets, but was to be reduced under the first supplementary budget for 1968. Expenditure on the newly established Homeland Reserve Force would amount to about 7 per cent of the total defence expenditure. Also counterpart funds were increasingly diverted from defence to economic expenditure, financing defence expenditure to the extent of one third in the 1968 budget as against nearly one half under the 1967 budget.

120. Capital expenditure on economic development, in the form of both investment and loans, was to be increased both absolutely and proportionately to the total. High among the priorities in government economic development expenditure were infra-structure projects for development of railways, highways and power, small and medium industries and establishment of integrated iron and steel plant.

## E. Stabilization measures

### 1. Money supply

121. Credit expanded rapidly in 1967 resulting in an increase in money supply much greater than in 1966. The financial stabilization programme for 1968 envisages a slower rate of increase in money supply (see table 1).

122. The rate of credit expansion in 1967 was such that money supply increased at a rate nearly five times that of the national product; in 1966 the rate of increase in money supply was a little more than twice the rate of growth of national product.

123. During 1967, credit expansion in the public sector was kept low, mostly by Government's success in increased tax collection; the greater rate of credit expansion in the private and in the external sectors accounted for the major part of the increase in money supply. Private sector credit expanded in the form of



bank loans to finance industrial development and foreign trade; credit control instruments like the central bank sale of stabilization bonds and treasury bills, commercial bank deposits with the central bank and operations on reserve ratios, were deployed to neutralize excessive liquidity, but the credit demand in the private sector continued to be strong. As in the past, the Republic was successful in attracting foreign cash loans as well as suppliers' credit, but such inflow led to expansion of credit and money supply in the external sector.

124. In contrast to 1967, money supply expanded by about 13 per cent only during the first half of 1968. The stabilization programme for 1968 had envisaged an increase in money supply of 25 per cent as compared to the planned rate of growth in national product of 12.4 per cent.

125. During the first half of 1968, the persistent monetary expansion, owing to the induction of foreign cash loans and suppliers' credit, was reduced from the level that obtained at the end of 1967; however, the proposal to set up a foreign exchange stabilization fund out of fiscal funds is still to be implemented. Tight credit restraints, such as establishment of ceilings on loans and discounts by the Bank of Korea to commercial banks, were aimed at restricting the expansion in credit and money supply in the private sector; however, the continued increase in time and saving deposits facilitated private sector credit expansion. The largest expansion in credit was in the public sector during the first quarter owing to seasonal factors, and it levelled off by the middle of the year owing to appropriate fiscal policies.

## 2. Monetary savings

126. The inflationary impact of credit expansion was to a large extent offset by the impressive increase in money savings the public held with banking institutions. Money savings in the form of deposits held with banking institutions doubled during 1967 and continued to increase at the same rate during the first half of 1968. A noteworthy feature of such an increase was that the savings were held to the extent of more than 90 per cent in long-term deposits.

127. The stimulus for the increase in monetary savings was the upward revision of interest rates on bank deposits introduced in September 1965; the resultant structure of interest rates was such that the interest rates on bank deposits, cumulatively, were higher than those on bank loans. To rationalize the interest rate structure, the Government initiated, as a first step, a downward readjustment of interest rates on some types of time deposits in March 1968. The objective of the changes was to channel savings into longer-term deposits and to reduce, to some extent, the interest-rate differential on deposits and loans. So far, there had been no adverse effect on aggregate savings deposits by the changes in interest rates.

## 3. Exchange rate policy

128. During the period under review, the Government announced that the aim of its foreign exchange rate policy is to continue to let the won find its own level as established by an active free market.

129. On 25 November 1967, a change in the foreign exchange rate policy was put into effect. The Bank of Korea no longer sets the exchange rates for transactions between foreign exchange banks and their clients. But the Bank of Korea announces daily the basic rate, the buying rate and, since 20 April, the selling rate it follows in its transactions with the foreign exchange banks and with the United Nations forces; the rates are within the permissible range of 2 per cent of the rate prevailing in the free foreign exchange certificate markets and its buying and selling rates are within the range of 0.75 per cent of its basic rate. The foreign exchange banks, whose number in the Republic had increased to eleven during the period, announce daily the foreign exchange rates for their transactions in exchange certificates with their own clients. So far, the rates announced by the foreign exchange banks have not departed significantly from the rates announced by the Bank of Korea. After the change in the policy, the exchange depreciated from 271 to 275 won per dollar, at which level it has continued to remain more or less stable.

130. To encourage an active market in foreign exchange certificates, the period of validity of the certificates has been extended from fifteen to forty-five days and currently dealings in foreign exchange certificates are reported to have expanded to cover the total current foreign exchange earnings. There has been further relaxation of restrictions on current external transactions and liberalization of imports under the negative system, consistent with the Republic's worsening balance of trade. So far, the central bank has not directly intervened in the market on a large scale with its foreign exchange holdings. No drawings were made under the three stand-by credit agreements with the International Monetary Fund and a fourth agreement was concluded in April 1968 with an increase in the stand-by credit to \$25 million. The Republic's continued progress towards the free determination of the external value of its currency would, in the coming period, depend on the rate of import liberalization and on the degree of reliance on suppliers' credit for imports.

## F. Prices

### 1. Movements in wholesale price index

131. The Republic's success in reducing the rate of increase in wholesale prices since 1965 continued during the period under review (see table 8).

132. According to the improved index of wholesale prices constructed in 1967 (with 1965 as the base), wholesale prices rose by 6.5 per cent in 1967 as compared with 8.8 per cent in 1966 and an annual average of about 18 per cent during 1962-1965. By the middle of 1968, the increase in wholesale prices from its level at the end of 1967 was about 5 per cent, the same as in the corresponding period of 1967.

133. To a greater degree than in 1966, the index for wholesale price of consumer goods rose higher and that for producer goods, lower, than the over-all wholesale price index during the period under review. Wholesale prices of foodstuffs and grains, which have a dominant weight in the index, climbed by 9 and 11.4 per cent during 1967 in contrast to 7 and 5 per cent, respectively, during 1966 and their increase continued at the same rate during 1968. Wholesale prices of some producer goods increased considerably, such as the 15.3 per cent increase in fuel.

and power and 10.5 per cent increase in machinery; however, the prices of almost all the other producer goods showed a rate of increase lower than the over-all index. Contributing to the price increase were the transport and power shortages, the increase in utility rate introduced towards the end of 1967 and in government-controlled prices as of coal.

## 2. Consumer price behaviour

134. Consumer prices continued to rise at a rate greater than that of wholesale prices, indicating that inflationary pressures within the economy had not fully abated (see table 8).

135. Nation-wide consumer price index rose by 10.9 per cent in 1967 without any significant reduction during the first half of 1968; in 1966, it had increased by 11.3 per cent. As compared to 1966, however, consumer prices rose faster than wholesale prices during the period.

136. While high levels of personal consumption, coupled with the large increase in money supply, exercised upward pressure on prices, the drought in 1967 affected adversely the supply of food grains. The Government kept the rise in food grain prices to the consumer below their wholesale price increase by timely and adequate release of food grains. Contributing to the upward trend in consumer prices were the increase in the price of lighting and domestic fuel and in public utility rates and the continued shortfall in the provision of basic social services like housing and medical facilities.

## 3. Wages and employment

137. Data available on wage movements in the Republic indicate that industrial earnings per worker increased sharply by 32 per cent in 1967 as compared to about 17 per cent in 1966. On the other hand, the increase in farm wages was only from 14 per cent in 1966 to 18 per cent in 1967. Reliable data are not available for a comparison of wage increases with the trends in productivity, but it is generally believed that the recent wage increases had not been matched by an increase in productivity, particularly in the new import-substituting industries. However, the level of wages, particularly in the export industries, which are mostly labour-intensive, is considered to be low in comparison with that in other developing countries in the region.

138. According to the latest "Economically Active Population Survey", there was a significant reduction in the degree of unemployment in 1967 measured as the ratio of unemployed to economically active population. The degree of unemployment decreased from 7.1 per cent in 1966 to 6.2 per cent in 1967, as compared to a decline of only 0.3 per cent in 1966. Unlike in the previous years, there was a greater rate of increase in employment in the rural sector. According to official statistics, there was also a significant reduction in the degree of underemployment, as indicated by the ratio of persons employed for less than eighteen hours a week to total number of persons employed. The degree of underemployment declined from 9 per cent in 1966 to about 7 per cent in 1967, mostly in the rural sector.

## G. Balance of payments and trade

### 1. Balance of payments

139. During 1967, the improvement in the Republic's balance of payments since 1965 continued, with a slight reduction in the balance of payments surplus from its record level in 1966 (see table 9).

140. In contrast to the deficits in the previous years, the balance of payments showed a surplus of about \$5 million in 1965 and of \$122 million in 1966. In 1967, the over-all payments surplus amounted to \$111 million.

141. External receipts showed an impressive gain of 40 per cent, on account of the rapid increase in merchandise exports by 28 per cent and the large increase in the sales to the United Nations forces by 46 per cent; also contributing to the increase in the current external receipts was the situation in the Republic of Viet-Nam. Over-all deficit on current account, however, increased from \$323 million to \$421 million in 1967 owing to the sharp rise in the economy's import requirements of goods and services.

142. In bridging the growing deficit in current account, the Republic relied increasingly more on net private transfer payments and private capital to the extent of \$286 million, than on net official aid and loans which amounted to \$231 million. The foreign exchange holdings of the Republic continued to increase from \$97.5 million to \$111.4 million in 1967.

### 2. Exports

143. The Republic's merchandise exports in 1967 amounted to \$320 million, an increase of 28 per cent from \$250 million in 1966. Such impressive expansion, at three times the rate of growth of national product, was achieved from the high base for exports which the Republic had already attained during the past five years with an average annual rate of increase of about 40 per cent (see tables 11 and 12).

144. Manufactured goods continued to be dominant among the exports, accounting for slightly more than 60 per cent of the total. While the main manufactured exports like textiles and plywood maintained their growth, there was a greater rate of increase in the exports of miscellaneous manufactured goods. The range of miscellaneous manufactured goods also widened and recent noteworthy additions included electronic components, human hair and wigs. There was a decline in importance of the export of mineral ores and primary products. Notable exceptions to the trend were the comparatively sharp increase in exports of fish, in which the Republic has natural advantages, and of raw silk, which met with growing demand abroad.

145. The Republic continued to sell more than three fourths of its exports to the developed countries. The share of the United States increased from 38 per cent in 1966 to 43 per cent in 1967, Europe's share declined from 13.6 to 10.4 per cent, while the share of Japan remained constant at slightly more than a quarter. There was no increase in the share of the Republic's exports to developing countries. Merchandise exports to the Republic of Viet-Nam declined from 5.5 per cent in 1966 to 2.3 per cent in 1967.

146. Within a comparatively short period, the Republic has sought to consolidate its achievements in the export sector by diversifying the composition and destination of exports while raising them to an impressive level. The Republic's exports are mostly import-based and they have been able to achieve a break-through and expand, with economies of large-scale production, through the various incentives and preferential treatment extended by the Government. Further export gains, to become permanent, would depend on increased competitive efficiency of the export industries brought about by more selective and rigorous application of the Government's export incentive system. For export industries will be faced with the inevitable tendency of wages to rise from their present low level. Furthermore, unless there is a greater rate of progress in technical education, scarcities in skilled labour could develop and there is the likelihood that the costs of domestic production of intermediate goods like steel and petrochemicals, which are needed by export industries, would be high in the initial stages.

### 3. Imports

147. The Republic's merchandise imports rose sharply to \$996 million, an increase of nearly 40 per cent during 1967 (see tables 11 and 12).

148. Endowed with limited natural resources, the Republic continued to increase its imports of crude raw materials and the various intermediate goods required by its growing industries. Accounting for nearly 60 per cent of the total, such imports comprised crude materials like rubber, wood and raw cotton, processed materials like synthetic yarn and chemicals, and energy requirements like petroleum and petroleum products. Imports of construction materials like structural steel, cement and lumber also increased as domestic production had not caught up with the increase in demand. Imports of machinery and transport equipment registered an impressive increase, from one fourth of the total in 1966 to nearly one third in 1967, underlining the need for fuller utilization of the domestic machinery industry and its further expansion. Trade liberalization and high levels of consumption brought about an increase in the import of consumer goods, but their significance in the total continued to be small. Among the major commodities whose importance in total imports had been declining in the past were food grains and fertilizers: fertilizer imports continued to decline during 1967, while the imports of cereals, particularly rice, increased significantly over their level in 1966.

149. During 1967, there was a significant increase in the proportion of commercial imports to the total. Foreign grants financed only about one tenth of the total imports in 1967 as compared to one fifth in 1966. Imports financed by foreign capital and loans increased from 15 to 17 per cent of the total in 1967 and more than three fourths of such inflow was utilized for the import of capital goods (see table 10).

150. The Republic gets more than three fourths of its imports from developed countries. Imports from Japan increased from 41 per cent of the total in 1966 to nearly 45 per cent in 1967, while the share of the United States declined from 35 to 31 per cent; the share of developing countries in the Republic's imports remained stationary.

151. During the period under review, the Government announced that it would liberalize imports further, so as to reduce inflationary pressures and to inject

competitive efficiency into the industrial structure. Earlier, in mid-1967, the Government had introduced the "negative" system under which all commodities would ultimately be freely imported or exported, excepting those which are to be prohibited or restricted for non-economic reasons. The Government also proposed to link further liberalization of imports with tariff changes ensuring protection to deserving nascent industries. Towards that end, a comprehensive policy for tariff revisions was announced under which emphasis would be shifted from import restrictions to import tariffs for ensuring protection. However, faced with growing import requirements, the Government sought to control the widening trade deficit through indirect measures announced in the middle of 1968.

152. Implementing the "negative" system in stages, the Government had reduced the prohibited number of import items from 118 in mid-1967 to 98 during the first half of 1968; prohibited export items were reduced in number from 37 to 36. Of the basic 1,312 items in international trade, classified at the five-digit level, items automatically approved for import were increased in number from 792 to 812 and, for export, from 1,122 to 1,124. In July 1968, the growing import demand was curtailed indirectly, without resort to direct quantitative controls, by imposition of higher deposit margins for the import of luxury items, mostly durable goods. Excessive imports financed by short-term foreign cash loans and suppliers' credit were made subject to over-all ceilings.

#### H. External resources

##### 1. United Nations agencies

153. The United Nations family of organizations continued to increase their activities in the field of technical assistance and economic aid. While the United Nations Development Programme (UNDP) was the principal source of funds, projects of the World Food Programme (WFP) assumed increasing importance.

154. Field work was completed on four of the twelve projects previously reported: tidal reclamation survey, agricultural survey and demonstration in selected watersheds, Productivity Centre and Telecommunications Training Centre. Six other projects continued to be operational: soil fertility, soil survey, Deep-Sea Fishing Training Centre, forest survey, Fine Instruments Centre and pre-investment survey of the Naktong River Basin. Two projects, approved in 1967, became operational towards the latter half of 1967: Extension Services Department in the Medium Industry Bank and uplands development and watershed management.

155. During 1968, the plan of operations was finalized of the forestry survey and development project, which is to continue the work of the forest survey project and expand into development stage. Draft plans of operations were nearing completion for two newly approved fishery projects: fishery advisory services and the Coastal Fishing Training Centre. Two other Special Fund projects newly authorized were the Tubewell irrigation project and the Central Vocational Training Institute.

156. Technical assistance under UNDP, with an authorized programme of \$561,000 for 1967-1968, was being implemented as planned.

157. With three projects for flood control, road construction and land improvement already completed, WFP is currently supporting projects relating to flood control levees, comprehensive development of three watersheds, flood control and tideland reclamation at a total cost of \$8.7 million, including supply of food grains worth \$6.4 million. A five-year project for improvement of roads covering nearly 1,200 kilometres was approved by WFP in 1968 at a cost of \$4.6 million.

158. The World Health Organization, in close collaboration with UNICEF, continued to provide material and financial assistance to the development of the Republic's local health services, including those for maternal and child health, and to its health workers' training programme. It provided technical assistance to the Government in strengthening its tuberculosis, leprosy and encephalitis control programmes and to the School of Public Health, Seoul National University, and continued its fellowship programme for health workers in the Republic. In addition to its technical and material contribution to public health programmes, UNICEF initiated in 1968 a three-year project for modernization of science teaching in middle and higher schools in collaboration with UNESCO.

159. The Republic concluded an agreement in January 1968 with the International Bank for Reconstruction and Development (IBRD) for a fifteen-year loan of \$5 million to the Korea Development Finance Corporation for the development of small and medium industries.

## 2. United States of America

160. The Republic continued to reduce its dependence on foreign grants and to attract foreign investment and loans on a commercial basis.

161. The Republic's technical assistance requirements increased in line with its goal of rapid modernization of the economy. Development grants from the United States of America provided technical assistance for health and family planning and for improvement of economic planning, over-all and sectoral. Such grants increased from \$4.9 million in 1966 to \$5.8 million in 1967 and were expected to amount to \$11.2 million in the first half of 1968. At the same time, the Republic plans to lessen its reliance on foreign technical assistance by increasing its own supply of technologists through the Korean Institute of Science and Technology. In the construction of the Institute, the Republic had, in addition to its own outlay, utilized \$.05 million in United States grants in 1966, \$.65 million in 1967 and, in the first half of 1968, the grants to the Institute were to amount to \$2.6 million.

162. As against the increase in development grants, non-project assistance and assistance under Public Law 480 continued to decrease. Non-project assistance declined from \$43.8 million in 1966 to \$34.6 million in 1967, and to \$14.2 million in the first half of 1968. With increased domestic production, fertilizer imports under the programme decreased significantly, yielding place to machinery and raw material imports. Assistance under Public Law 480 Title I declined from \$29.5 million in 1966 to \$26.6 million in 1967, and to about \$13.3 million in the first half of 1968 owing to decreased imports of wheat and raw cotton under the programme. Grain imports under Public Law 480 Titles II and III increased from \$20.9 million in 1966 to \$30 million in 1967, and amounted to \$18.1 million in the first half of 1968. The major part of the grain was used as wage payments in kind, financing construction projects in a non-inflationary way.



163. Development loans to the Republic decreased from their record level of \$98.7 million in 1966 to \$33.2 million in 1967, and to \$15 million in the first half of 1968. The loans are generally of long duration and carry low interest rates. The major part of the loans was utilized in the construction of thermal electricity plants and in the development of small and medium industries.

### 3. Japan

164. Out of the \$50 million in grants and \$36 million in loans agreed upon by the Republic and Japan under the property claims fund utilization programme for 1967, the Republic has so far utilized \$28.9 million of the grants and \$7.7 million of the loans. Nearly half of the grants financed the import of capital goods and the rest financed the import of raw materials and the settlement of the Republic of Korea-Japan trade deficit. The loans were utilized in the expansion of railways and an inland water transport system. The programme agreed upon for 1968 provides for a grant of \$47.6 million (including a carry-over of \$17.6 million) and a loan of \$23.6 million. While grants would continue to finance the import of capital goods and raw materials from Japan and the settlement of the Republic of Korea-Japan trade deficit, the emphasis in the utilization of loans would be on the establishment of agricultural processing plants and construction of the Seoul-Pusan highway.

### 4. Foreign investment and loans

165. Foreign investment in the Republic of Korea continued to increase and with increasing availability of foreign capital, the Government rationalized its policy towards foreign capital inducement.

166. Of the \$1,307.3 million of foreign capital contracted for introduction during the period from 1959 to 1 June 1968, nearly \$255.3 million was induced into the economy during 1967; and the rate of induction of foreign capital increased further, during the first half of 1968, by \$358.1 million.

167. There were discernible trends that indicated the Republic's success in attracting foreign capital on a commercial basis. While most of the foreign capital was induced in the form of loans, the share of commercial loans, as compared with government-guaranteed loans, increased. Of the total direct foreign investment in the Republic of Korea, nearly half was introduced during 1967 and the first half of 1968.

168. While more than 90 per cent of foreign capital induced during 1966 came from the United States of America, Japan and the Federal Republic of Germany, these three sources accounted for slightly less than three fourths of the total invested during 1967. Among the new investors in the Republic of Korea during 1967 were Canada, with \$1.04 million, Liberia, with \$15.4 million, Norway, with \$3.96 million, and Sweden, with \$2.8 million.

169. The major part of foreign commercial loans went into manufacturing industries and development of fisheries. Foreign loans to the Government were to be utilized mostly in infra-structure projects for expanding transport capacity and power generation. More than two thirds of direct investment was attracted by manufacturing industries.



170. With increasing readiness of foreign capital to flow into the Republic of Korea the Government announced in December 1967 its over-all policy for regulating foreign capital inducement. A system of priorities was drawn up with emphasis on projects which would contribute most to the achievements of the objectives of the Second Plan. Private firms were required to certify that the projects were backed by adequate domestic capital and to furnish security to cover annual repayment of principal and interest even before actual accrual of profit. The Government would encourage the policy of financial institutions securing foreign capital for domestic relending, thus discouraging individual seeking of foreign capital. The amount of foreign capital induced in a year would be such that the annual repayment of principal and interest would be within 9 per cent of the country's annual foreign exchange receipts.

171. According to the official debt service schedule, the annual payments would amount to 8 per cent of the exports in 1968 and would continue to be low, accounting for less than 10 per cent of the exports anticipated in 1971.

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

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

The Commission also wishes to express its appreciation for the services rendered by the Secretariat during the year.

DONE at Commission Headquarters, Seoul, Korea, this twenty-fourth day of August, one thousand nine hundred and sixty-eight.

(Signed) A.H. LOOMES	<u>Australia</u>
A. MARAMBIO	<u>Chile</u>
W.Ch.E.A. de VRIES	<u>Netherlands</u>
	<u>Pakistan</u> <sup>14/</sup>
B.T. TIRONA	<u>Philippines</u>
C. KLONGVICHA	<u>Thailand</u>
B. KESTELLI	<u>Turkey</u>

Zouheir KUZBARI  
Principal Secretary

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<sup>14/</sup> Pakistan was not represented on the Commission at the time of the signing of the report.



## ANNEXES

### ANNEX I

#### Statement of the Government of the Republic of Korea dated 23 September 1967 on the Korean question a/

With reference to the forthcoming debate on the Korean question (agenda item 33, twenty-second session of the United Nations General Assembly), I have the honour to reaffirm the Republic of Korea's full and unreserved adherence to the purposes and principles of the United Nations.

It has been repeatedly declared by the General Assembly that "the United Nations, under the Charter, is fully and rightfully empowered to take collective action to maintain peace and security and to extend its good offices in seeking a peaceful settlement in Korea in accordance with the principles and purposes of the Charter" (resolution 2224 (XXI), 19 December 1966). I wish to state, in particular, that the Republic of Korea will continue to accept unequivocally the competence and authority of the United Nations within the terms of the Charter to take action on the Korean question.

The Republic of Korea, established through the free and general elections duly supervised by the United Nations Commission in 1948 (resolution 112 (II), 14 November 1947) and therefore recognized by the United Nations as the only lawful Government in Korea (resolution 195 (III), 12 December 1948), has whole-heartedly co-operated with the United Nations in the achievement of the above-mentioned objectives.

It is a matter of deep regret to free people everywhere that, in contrast with this position of the Republic of Korea, the communist regime in the northern provinces of Korea, organized in defiance of the United Nations resolutions and thus never recognized by the United Nations has continued to reject the competence and authority of the United Nations. This regime, it may be recalled, refused to allow the United Nations to supervise elections in the north in 1948 and in fact has never submitted itself to the free will of even the people under its control. Its latest statement of 21 August 1967, insisting that "the United Nations has neither competence nor authority to concern itself with the Korean Question", makes abundantly clear that the communist regime's attitude has not changed (A/6696/Add.2, 12 September 1967).

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a/ Communicated to the members of the First Committee of the General Assembly in a letter dated 3 October 1967 from the Minister of Foreign Affairs of the Republic of Korea, addressed to the Secretary-General of the United Nations, issued under the symbol A/C.1/947 dated 4 October 1967.

It is our earnest hope that the twenty-second session of the United Nations General Assembly will continue to exert its utmost efforts toward the solution of the Korean question on the basis of the genuine free will of the Korean people and the fair and reasonable principles so clearly defined in the relevant resolutions of the United Nations.

(Signed) Kyu Hah Choi  
Minister of Foreign Affairs  
Republic of Korea

## ANNEX II

### Memorandum of the Republic of Korea on the Korean question<sup>a/</sup>

1. On the even of the twenty-second United Nations General Assembly's deliberations on the Korean question, the Government of the Republic of Korea avails itself of the opportunity to state its views on this subject of vital concern to all the people of Korea, the countries of Asia and to the world community in general.
2. The General Assembly has repeatedly reaffirmed over the past two decades that the objective of the United Nations in Korea is to achieve by peaceful means the establishment of a unified, independent and democratic country under a representative form of government. To attain this end, free and democratic elections would be held throughout Korea, in proportion to the indigenous population of Korea under United Nations supervision. The Republic of Korea whole-heartedly concurs in both the aims and the means. They are the very essence of the principle of self-determination, a guiding principle of the United Nations Charter and a principle to which the Republic of Korea, as many other Afro-Asian countries, attaches utmost importance.

It is because the Republic of Korea seeks to unify all Korean people in accordance with this principle that it has looked to the United Nations for assistance, has from the beginning given unstinting co-operation to all United Nations' efforts for the earliest achievement of unification based on the relevant resolutions of the United Nations, and has unequivocally accepted the competence and authority of the United Nations to deal with the Korean question.
3. The United Nations Commission for the Unification and Rehabilitation of Korea was established by the General Assembly resolution 1376 (V) of 7 October 1950. The successor to two previous United Nations Commissions on Korea, UNCURK has long been active there in an effort to carry out its mandate on Korean unification - a mandate described in the General Assembly resolution as representing "the United Nations in bringing about the establishment of a unified, independent and democratic Government of all Korea".
4. Recently, on 30 July of this year, the representative of the United Nations Commission for Unification and Rehabilitation of Korea appealed once again publicly to all the Korean people "to co-operate with the Commission and to work with and through it in the achievement of the United Nations aims to reunify the country. The Commission is ready at all times to do what is possible to bring the two parts of the country together and would welcome approaches designed to aid the task given it by the United Nations ...

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<sup>a/</sup> Communicated to the members of the First Committee of the General Assembly in a letter dated 20 October 1967 from the Minister of Foreign Affairs of the Republic of Korea, addressed to the Secretary-General of the United Nations, issued under the symbol A/C.1/950 dated 20 October 1967.

"The Commission is always available to discuss proposals and to take whatever measures are within its power to bring about the long sought after reunification of this country, so tragically divided after the Second World War. But we do need and ask you for your full co-operation and support in this question and also in removing existing tensions which prevent Korea from enjoying peace and full prosperity."

5. The response of the Republic of Korea to this appeal was made on 31 July 1967 in a statement by the Foreign Minister of the Republic of Korea which said in part: "The Government of the Republic of Korea will continue to accept the competence and authority of the United Nations to deal with the question of Korean unification. The Government of the Republic of Korea reaffirms that it will give unsparing co-operation to all United Nations efforts for the earliest achievement of unification based on the relevant resolutions of the United Nations."

6. The response of the North Korean communist régime to this and previous efforts by UNCURK were not only negative but also rejected the very idea of any United Nations role or responsibility in helping to find a solution of the Korean problem. The north Korean régime alleged that "UNCURK puts up the United Nations emblem and acts entirely contrary to the United Nations Charter", and asked that it "be dissolved unconditionally and without delay". The north Korean communist régime also revived the tired clichés of "imperialism" and "aggressive war against the Korean people", and insisted that the United Nations has neither the competence nor authority to concern itself with the Korean question.

7. Moreover, suiting the deed to the word, the north Korean communist régime launched a new series of dangerous and provocative actions within the southern part of the Republic of Korea - both the southern half of the Military Demarcation Line and even further south. These have been intensified since October of last year and have created the most dangerous situation to the peace of the area since the Armistice of 1953. As a result of these increasingly serious violations of the Armistice Agreement by the north Korean communist régime, fourteen United Nations soldiers and ninety-two Korean soldiers were killed and thirty-nine United Nations soldiers and 195 Korean soldiers were wounded from the beginning of this year to the end of August. The north Korean aggressors struck in more than seventy separate incidents between May and August. These were part of a larger campaign of subversion and guerrilla warfare wherein infiltrators, armed agents and other marauders have been constantly sent southward to continue their campaign of harassment in the Republic of Korea. The campaign was stepped up even further by the north Korean communists' exploding of three cars of a freight train on 5 September and a passenger train on 13 September. In the first eight months of this year 202 armed north Korean infiltrators and agents were killed and sixty-eight were captured in the Republic of Korea.

8. It must be clear that these statements and acts of opposition and destruction offer dramatic proof that the north Korean communist régime has in no wise abandoned its militant posture toward the Republic of Korea nor its defiant and negative attitude towards the United Nations. It is precisely because of this attitude that the United Nations has been inviting only the Representative of the Republic of Korea to its discussion of the Korean question at the General Assembly. In justice to the membership of the United Nations and out of consideration for its principles, it is important that the twenty-second General Assembly adhere to this same precedent.

9. The Republic of Korea whole-heartedly shares the aspirations of the Asian, African and Latin American countries and has been carrying on friendly relations with them, wherever possible, in the interest of mutual co-operation. The Republic of Korea categorically rejects the utterly groundless charge by the north Korean communist régime that the Republic of Korea provided military personnel to the illegally established racist régime in Southern Rhodesia. The Republic of Korea not only refrains from military assistance of this kind but has also broken off all economic relations with Southern Rhodesia in compliance with the provisions of resolution S/RES/232 adopted by the Security Council, and so informed the Secretary-General on 14 February 1967.

10. As in the past, the United Nations is hearing the allegation that a certain Member of this body has been illegally bringing up the Korean question at the United Nations. Twenty years ago, the United Nations assumed the primary responsibility of bringing about a unified and independent Korea. The United Nations assisted greatly in helping establish the Republic of Korea. It called upon its Members to help defend the Republic of Korea against communist aggression, thus mobilizing United Nations forces in the first collective security action in the United Nations' history.

As for the demand heard again recently from the communist side that United Nations Forces be withdrawn from Korea, it is only necessary to cite the lessons of the past and make a logical projection therefrom. In 1950, after the American forces had been withdrawn from Korea the communists regarded this as an invitation to invade, and the history of that aggression is too well known to detail here. It was this history that led the United Nations to maintain United Nations Forces there against a repetition of the tragic events of 1950.

11. It has been alleged before and it was stated again during this session that UNCURK was a major obstacle to the peaceful unification of Korea, that it had been illegally created and that its dissolution was a sine qua non for unification. In actual fact, the opposite of all these statements is true. The people and the Government of the Republic of Korea consider the Commission to be the most important United Nations organ to implement the United Nations resolutions on Korea. Its mandate still remains to be completed. The Korean Government sincerely hopes that it will continue its work until the unification of Korea is achieved. Were the United Nations to be omitted from the unification process in Korea and the north Korean communist régime to have its way, subjugation, through force and terror, under the guise of unification, would be attempted by North Korea and its communist allies. This, of course, would lead only to further warfare and bloodshed, because all Koreans except the communist dictators would oppose such attempts to the death.

12. The Republic of Korea presently maintains diplomatic relations with seventy-six countries, of which seventy-two are Member States of the United Nations. It is also a member of most of the specialized agencies of the United Nations and is affiliated with many important subsidiary organs of the United Nations such as the United Nations Conference on Trade and Development, United Nations Development Programme, Economic Commission for Asia and the Far East, and United Nations Children's Fund. In April 1967, the Korean Government newly became a member of the General Agreement on Tariffs and Trade.

The Republic of Korea is a signatory to 303 international treaties and agreements. During the period from July 1966 to June 1967, Korea not only

concluded forty international treaties and agreements but also hosted nine international conferences.

13. Turning now from Korea's assumption of larger responsibilities in international affairs, it should be of interest to the world community to learn that the Republic of Korea is playing a more significant role in the economic sphere. In 1966, the Korean economy attained a high rate of growth within a framework of relative stability. Inheriting the vigorous expansionary trend of the past several years, the GNP in 1966 grew a further 11.9 per cent which surpassed both the planned growth rate in the First Five-Year Plan, and the average annual growth rate of 7 per cent in the Second Five-Year Plan.

Primary industry grew 10 per cent, secondary industry 16 per cent and tertiary industry 11 per cent. During the year, exports expanded remarkably, due mainly to an intensified export promotion policy. Korea concluded trade agreements with Japan, Canada and Mexico, and made considerable progress in negotiations for trade agreements with New Zealand and the United Arab Republic.

Meanwhile, trade missions were dispatched to South-East Asia and Latin American countries to further strengthen economic ties with them. For the promotion of the International Economic Consultative Organization for Korea, a meeting was held in Paris on 12 December 1966. It was attended by three international institutions, namely, IBRD, IMF and UNDP and nine major trading countries, United States of America, Germany, Japan, France, Canada, Italy, Belgium, China and Australia.

14. Despite the frustrations and difficulties which the adversary of the United Nations has used in his unremitting attempt to block a peaceful and just solution of the Korean question, the Republic of Korea has great faith in the ability of the United Nations to achieve its noble, practical objectives. The determination and the overwhelming support of the Member States lend strength to this faith. The Korean people know that the success of the United Nations effort in their divided land will redound not only to their benefit but will help insure freedom, justice, peace and security for all the peoples of the earth.



### ANNEX III

#### Statement of the Government of the Democratic People's Republic of Korea dated 21 August 1967 a/

The United States imperialists are trying to put the "Korean question" illegally on the agenda of the twenty-second session of the United Nations General Assembly.

Under their coercion, the "Korean question" has again been included in the provisional agenda of the United Nations General Assembly of this year made public by the United Nations Secretariat.

The Government of the Democratic People's Republic of Korea sternly condemns this criminal manoeuvring of the United States imperialists to continue to use the United Nations for their aggressive purposes.

The Korean question is by no means a question to be discussed at the United Nations. It is a question of restoring the unification of a temporarily divided country, a domestic affair of a nation to be solved by the Korean people themselves.

The United Nations Charter strictly prohibits the United Nations from meddling in the internal affairs of any State.

The United Nations was reduced by United States imperialism to a belligerent in the aggressive war against the Korean people.

This shows that the United Nations has neither competence nor authority to concern itself in the Korean question. Nevertheless, the United States imperialists take up the "Korean question" unlawfully at the United Nations General Assembly every year. This is a naked transgression of the United Nations Charter and a flagrant infringement upon the dignity and sovereignty of the Korean nation.

With the aim of perpetuating the partition of Korea and covering up their policy of aggression, the United States imperialists are scheming this time too, to have only the South Korean puppet clique participate unilaterally in the debate of the "Korean question" at the United Nations, in disregard of the will of the majority of the United Nations Member States. But whatever resolution the United Nations may adopt arbitrarily on the

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a/ Communicated to the General Assembly in a letter dated 11 September 1967 from the representative of the Union of Soviet Socialist Republics to the Secretary-General transmitting a letter dated 28 August 1967 from the Minister for Foreign Affairs of the Democratic People's Republic of Korea and a statement of the Government of the Democratic People's Republic of Korea dated 21 August 1967, issued under the symbol A/6696/Add.2 dated 12 September 1967.

Korean question, it is entirely null and void. It has long been revealed to the world that the South Korean puppet clique are faithful stooges of United States imperialism, who represent none of the Korean people.

The criminal manoeuvrings of United States imperialism in abusing the United Nations as a tool of its aggression against Korea for twenty long years must be checked.

The United Nations should repeal its unlawful resolutions adopted under United States pressure on sending the "United Nations forces" and the "United Nations Commission for the Unification and Rehabilitation of Korea" to Korea and take actions to withdraw the United States troops from South Korea.

Many countries which support the independent unification of Korea have proposed to include the "question on the withdrawal of the United States armed forces and all other foreign troops occupying South Korea under the signboard of the 'United Nations Forces'" in the agenda of the twenty-second session of the United Nations General Assembly. The Government of the Democratic People's Republic of Korea considers this proposal justifiable and fully supports it.

The United States is using the United Nations as a cover in hampering the unification of Korea and justifying its policies of colonial enslavement and war in South Korea. The United States has turned South Korea completely into its colony under the United Nations signboard and carried out a barbarous war of aggression to murder the Korean people under the United Nations flag.

In flagrant violation of the Korean Armistice Agreement, the United States imperialists are now stepping up war preparations - bringing large quantities of weapons of mass destruction such as nuclear weapons and guided missiles into South Korea, reinforcing the numerical strength of the South Korean puppet troops, accelerating the militarization of economy and intensifying war-time posture - and are ceaselessly carrying on provocations against the Democratic People's Republic of Korea along the Military Demarcation Line.

The United States imperialists have been intensifying their manoeuvrings to unleash a new war especially since the visit of United States President Johnson to South Korea in October 1966.

United States imperialism is now dragging even the Japanese militarist forces in the carrying out of its policy of aggression against Korea. The Japanese militarists, harbouring an illusion of realizing their old dream of the "Greater East Asia Co-prosperity Sphere" with the backing of United States imperialism, are stretching out their tentacles of aggression against South Korea in real earnest.

Under the present situation a new war may be launched by the United States imperialists at any moment in Korea if the United States imperialist aggression troops are not withdrawn from South Korea promptly.

The United States imperialist manoeuvrings to provoke another war are not only a challenge to peace and security in Korea but also a menace to peace in Asia and the rest of the world.

The United Nations should direct due attention to this.

The United States army has no reason or ground whatsoever for staying on in South Korea. The occupation of South Korea by the United States army is an act of aggression which is totally contradictory to the recognized principles of international law on territorial integrity, non-interference in the internal affairs of other countries and respect for the right to self-determination.

The United States Government tries to justify the occupation of South Korea by American troops under the pretext of the United Nations resolutions. But the "U.N. forces" in South Korea do not act on orders and instructions of the United Nations nor have they any relationship with the latter. They are an army of colonial marauders of United States imperialism with the name of the United Nations.

The withdrawal of the United States army occupying South Korea under the signboard of the "U.N. forces" is the prerequisite to a durable peace in Korea and to the solution of the Korean question.

Along with the occupation of South Korea by the United States army the "United Nations Commission for the Unification and Rehabilitation of Korea" constitutes a main obstacle in the way of Korean unification.

The "UNCURK" has been engrossed in beautifying and embellishing the occupation of South Korea by United States imperialism and its policy of aggression. The shameful nature of the "UNCURK" was exposed beyond doubt also from the fact that the Syngman Rhee puppet régime which it had always extolled as an "example of representative government" was overthrown by the uprising of the South Korean people.

Still today, the "UNCURK" clamours that the Pak Jung Hi clique which has gained an evil notoriety in the world as a tyrannical military fascist régime is a "new embodiment of democracy".

The last "May 3rd Presidential election" and "June 8th National Assembly election" held in South Korea under the so-called "U.N. supervision" laid bare the fallacy of that allegation. These "elections" were nothing but a farce that far surpassed, in oppression and fraudulence, all the unlawful elections held so far in South Korea.

For nearly two months, hundreds upon thousands of South Korean youth and students and people waged various forms of struggle denouncing the Pak Jung Hi clique in the teeth of barbarous police suppression, under such slogans as "The election is null and void" and "Punish the prime mover of the irregular elections".

As for the Pak Jung Hi clique of South Korea, they are the out-and-out traitors to the Korean nation.

They are endeavouring desperately to suppress and stamp out the patriotic and democratic movement of the South Korean people against their rule of military fascist terror and manoeuvrings to launch a new war.

The Pak Jung Hi clique, under the pretext of "anti-communism", are now arresting right and left their political opponents and large numbers of patriotic

figures including scholars, men of culture and art in South Korea, who aspire after the unification of the country, and are even kidnapping South Korean intellectuals in foreign countries to imprison them.

The Pak Jung Hi clique are the heinous servitors of United States imperialism who tries to stifle the national-liberation movement of the Asian and African peoples.

They have herded out 50,000 South Korean puppet troops as bullet shields to the aggressive war in South Viet-Nam designed to slaughter the Viet-Nameese people and are scheming to send tens of thousands more now. The Pak Jung Hi clique, on the instructions of United States imperialism who machinates to internationalize its war of aggression against Viet-Nam, were brazen enough to let the South Korean puppet troops in South Viet-Nam fly the flag of the United Nations. The Pak Jung Hi clique maintain intimate relations with the Vorsterites of South African Republic hated and condemned by the African people and have provided the racist Smith clique of Southern Rhodesia with "military instructors".

The foul nature of the Pak Jung Hi clique as the common enemy of the Asian, African and Latin American peoples was disclosed more glaringly from the fact that they actively defended the Israeli aggressors and threw malignant calumnies and slanders at the just cause of the Arab people when the United States imperialists and Israeli expansionists started their aggressive war against the Arab nations recently.

All the "UNCURK" does in South Korea is to cloak the United States policies of aggression and war under the name of the United Nations as instructed by the United States master.

The "UNCURK" which puts up the United Nations emblem and acts entirely contrary to the United Nations Charter should be dissolved unconditionally and without delay.

The Government of the Democratic People's Republic of Korea considers that if the United Nations is to act in conformity with the spirit of its Charter and the mission devolved upon itself, it should repeal all the unlawful resolutions on Korea it has adopted under the pressure of United States imperialism and take measures for the withdrawal of the United States imperialist aggression army occupying South Korea under the signboard of the "U.N. forces" and for the dissolution of the "UNCURK".

Once the aggression and obstructionist manoeuvrings of United States imperialism are removed, the question of Korean unification can be solved by Koreans themselves peacefully.

The Government of the Democratic People's Republic of Korea has on a number of occasions set forth fair and reasonable proposals for the independent solution of the question of unification.

The Government of the Democratic People's Republic of Korea has consistently maintained that Korean unification should be realized by the Korean people themselves without any interference of outside forces after the withdrawal of the United States army from South Korea, by means of establishing a unified, all-Korea Government through a free North-South general election to be held on a democratic basis.

The Government of the Democratic People's Republic of Korea proposed a formula for a Confederation of North and South Korea as an interim measure to restore the severed national ties even before complete unification, if the South Korean authorities are not in a position to accept the free north-south general election right now.

We also proposed repeatedly to conduct, apart from political questions, economic and cultural interchange between the two parts of Korea and mutual visits and postal exchange between North and South Korea with a view to alleviating the sufferings of the people caused by the split and contributing to the acceleration of unification.

In order to turn the armistice into a lasting peace and ease tension we proposed, furthermore, to conclude an agreement between the North and South to reduce their respective armed forces and refrain from force of arms against each other.

We, out of our compatriotism to alleviate even a little the difficulties of living of the South Korean people, proposed on several occasions to send relief materials to them.

These proposals of the Government of the Democratic People's Republic of Korea are the most patriotic ones which reflect its sincere concern about the destiny of the country and the nation and the unanimous desire of the entire people. None of these proposals, however, has been translated into practice due to the obstructionist moves of United States imperialism that occupies South Korea by force of arms.

The United States imperialist aggressors must withdraw from South Korea without delay. It is impossible to maintain peace in Korea or achieve its unification as long as the United States troops are allowed to remain in South Korea.

The Korean question should be left to the Korean people themselves.

The Government of the Democratic People's Republic of Korea considers that an international conference of the countries concerned may be convened, if necessary, for the peaceful settlement of the Korean question.

Elucidating its stand on the question of Korean unification once again, the Government of the Democratic People's Republic of Korea firmly believes that the Governments and peoples of progressive countries of the world will manifest more positive support to the Korean people in their just cause of forcing the United States army out of South Korea, dissolving the "UNCURK" and realizing the independent unification of Korea.

Pyongyang, 21 August 1967.

#### ANNEX IV

Letter dated 28 October 1967 from the Minister of Foreign Affairs of the Democratic People's Republic of Korea to the President of the twenty-second session of the General Assembly a/

Sir,

The United States imperialists are hatching another heinous scheme against the Democratic People's Republic of Korea by putting into action the "United Nations Commission for the Unification and Rehabilitation of Korea" which they forcibly manufactured at the United Nations against the will of the Korean people in an attempt to "justify" their aggression against Korea under the name of the United Nations and have all along utilized as an instrument for its aggression.

Having put the so-called Korean question on the agenda of the current United Nations General Assembly unlawfully, the United States imperialists made the "UNCURK" release its "annual report" slandering the Democratic People's Republic of Korea.

This annual report, as always, was filled with falsehood and fabrication and completely distorted the actual conditions in Korea.

The "UNCURK", in its "annual report" clamoured about a fictitious infiltration from the North and attempted to shift the responsibility for the procrastination of Korean unification to the Democratic People's Republic of Korea in order to cover up the criminal nature of the United States imperialist aggressors who under the signboard of the United Nations, have occupied South Korea by force of arms and continually obstructed the peaceful unification of Korea, and are frantically endeavouring to provoke a new war in Korea.

But it is none other than the United States imperialists who are blocking the unification of Korea and manoeuvring to unleash new hostilities today, as was already pointed out clearly in the memorandum of the Government of the Democratic People's Republic of Korea dated 18 October 1967.

Due to the ever intensifying provocative manoeuvres on the part of United States imperialism, a dangerous situation is being created in Korea today, which

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a/ Communicated to members of the First Committee of the General Assembly in a letter dated 2 November 1967 from the representative of the Union of Soviet Socialist Republics to the President of the General Assembly transmitting a letter dated 28 October 1967 from the Minister for Foreign Affairs of the Democratic People's Republic of Korea and a statement of the Korean Association of Democratic Lawyers, issued under the symbol A/C.1/953 dated 3 November 1967.

may cause another war at any moment, and this is gravely threatening peace in Asia and the rest of the world.

The "UNCURK" described the economy of South Korea as "growing" and the people's living as "stabilized" in an attempt to camouflage the malicious consequences of the colonial rule of United States imperialism that dominates South Korea.

This, too, is a total fallacy and deception.

The South Korean economy has been impoverished and the people's livelihood reduced to the greatest misery today. Millions of unemployed are roaming about the streets, and more than a million farm households which have run out of provisions are languishing in hunger although it is the harvesting season now.

The "UNCURK" cannot cover up this reality by whatever fraud and concoction.

What a shameless lie the "UNCURK" invents has been exposed more glaringly by its allegation that the so-called "presidential election" and the "National Assembly election" held in South Korea in last May and June were conducted "in good order", "efficiently" and "freely".

In fact, these "elections" were no more than a "farce" devised by the United States imperialists and their stooges, the Pak Jung Hi clique, by fully mobilizing their army and police, and other repressive forces and resorting to every conceivable dirty means and methods such as terror and repression, fraudulence and swindle in order to embellish their fascist rule of terror.

The Korean Association of Democratic Lawyers has recently issued a statement thoroughly laying bare the deceptive nature of the fraudulent "elections" held in South Korea.

I am enclosing herewith the statement of the Korean Association of Democratic Lawyers to acquaint you and the representatives of the Member States of the United Nations with the true picture of the "elections". As is seen, the "annual report" of the "UNCURK" is a deceptive document full of fallacies and concoctions.

This "annual report" again shows undoubtedly the fact that the "UNCURK" is nothing but a disgraceful tool hired by United States imperialism for the execution of its policy of aggression in Korea.

The "UNCURK" must be dissolved, the United States troops occupying South Korea under the signboard of the "UN forces" must get out of there without delay, and the question of Korea's unification must be solved by the Korean people themselves peacefully.

I consider that you should pay due attention to this.

At the same time, I hope you to circulate without delay this letter and the statement of the Korean Association of Democratic Lawyers attached hereto to representatives of the Member States of the United Nations as official documents of the United Nations and give me a reply on the result.

PARK SUNG CHUL  
Minister of Foreign Affairs  
Democratic People's Republic of Korea

ANNEX V

Statement of the Ministry of Foreign Affairs of  
the Democratic People's Republic of Korea issued  
on 17 November 1967 a/

The United States imperialists have again forced the illegal "resolution" on what they call the "Korean question" through the United Nations General Assembly at its twenty-second session.

This is merely a shameless farce staged by the United States imperialists as an "annual ritual" by putting their hand-raising machine into action at the United Nations General Assembly every year.

As already made clear by the Government of the Democratic People's Republic of Korea, any illegal "resolution" on the "Korean question" arbitrarily rigged up at the United Nations without the participation and consent of the representative of the Democratic People's Republic of Korea and against the will and interests of the Korean people is null and void.

At the current session of the United Nations General Assembly as at its previous sessions, the United States attempted to "justify" the occupation of South Korea by the United States imperialist aggression army, clamouring about the "infiltration from the north". They frantically endeavoured to shift the responsibility for the procrastination of Korean unification onto the Democratic People's Republic of Korea by utilizing the "United Nations Commission for the Unification and Rehabilitation of Korea", their tool of aggression. To this end, the United States, according to its customary practice, indulged also in all sorts of despicable obstructionist manoeuvres to prevent the representative of the Democratic People's Republic of Korea from taking part in the session.

For all their trickery, falsification and concoction, however, the United States imperialists could not cover up their foul criminal acts of aggression.

United States imperialism is precisely the ringleader who occupies South Korea and obstructs the unification of Korea and the main culprit who runs wild to provoke a new war against the Democratic People's Republic of Korea.

It has been revealed more glaringly through the current General Assembly that the United States is abusing the United Nations flag without hesitation to camouflage all this.

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a/ Communicated to the Members of the General Assembly in a letter dated 17 November 1967 from the Minister of Foreign Affairs of the Democratic People's Republic of Korea to the President of the General Assembly and the Secretary-General of the United Nations, issued under the symbol A/6947 dated 6 December 1967.



The delegates of the socialist countries and many national independent countries of Asia and Africa resolutely condemned United States imperialism for its aggressive acts against Korea and justly demanded the prompt withdrawal of the United States imperialist armed forces of aggression from South Korea and the dissolution of "UNCURK".

They actively maintained that the question of Korean unification should be solved by the Korean people themselves, free from any interference of outside forces.

The Government of the Democratic People's Republic of Korea expresses its gratitude to the socialist countries and the national independent countries of Asia and Africa for opposing the United States imperialist policy of aggression in Korea, defending the rights and interests of the Korean people and for actively supporting the Korean people in their righteous struggle for the independent and peaceful unification of the country.

For the unification of Korea, the United States imperialist aggression army should be withdrawn from South Korea, first of all.

If the United Nations really wants to act in conformity with its Charter, it should take measures for the withdrawal of the United States army and all other foreign troops occupying South Korea under the United Nations flag and for the dissolution of "UNCURK".

The United Nations should no longer hold its illegal discussions on the so-called "Korean question" on the basis of the false "reports" submitted by "UNCURK".

The question of Korean unification is an internal affair of the Korean people themselves, in which neither the United Nations nor any outside force is entitled to meddle.

The Government of the Democratic People's Republic of Korea and the entire Korean people will continue to exert every effort to force the United States imperialist army of aggression out of South Korea and to achieve the independent and peaceful unification of the country with the support of the peace-loving countries and people of the whole world which desire to see a just solution to the question of Korean unification.

Pyongyang, 17 November 1967.

## ANNEX VI

### Text of statement on unification broadcast by the Chairman, Committee of UNCURK, on 31 July 1968

"... I am speaking today on behalf of the United Nations Commission for the Unification and Rehabilitation of Korea (UNCURK) to appeal to the leaders and people of both parts of Korea to co-operate with the Commission and thus enable it to achieve the objectives of the United Nations in Korea, namely, 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. The continued validity of these objectives has been reaffirmed by the collective judgement of the United Nations on several occasions ever since the world Organization was seized with the Korean question. These objectives rest on the unshakable foundation of the universally shared aspiration of the Korean people, both in the north and in the south, for the unification of their divided country.

It is common knowledge that the Commission has endeavoured, since its creation by the United Nations General Assembly in 1950, to seek the co-operation of all Korean leaders in its effort to assist them in the realization of the objective of unification, always bearing in mind that only the Koreans themselves will ultimately determine their own future.

The Commission now eighteen years later, deeply conscious of its high responsibilities and aware of the serious implications for the peace, welfare and happiness of the Korean people of the continued unnatural division of their beloved country, is bound to appeal once more for the support, assistance and co-operation of all leaders of the Korean people to enable the Commission to assist them, in accordance with its mandate, in the realization of their own cherished aspiration - the unification of their divided country and its people. In doing so, I reaffirm the Commission's readiness to co-operate with all leaders of the Korean people, to assist them in every possible way and to give full consideration to any fresh proposals or new approaches which leaders may wish to address to the Commission and which are conducive to the achievement of the unification of Korea. I again emphasize that the Commission is an organ of the United Nations functioning in Korea and having no other objectives in view but those of the world Organization which are in perfect harmony with those of the Korean people themselves.

In conclusion, the Commission, concerned with the continuing tension between the north and south of this divided country, appeals to all leaders of the Korean people to exercise restraint and to contribute to an easing of the tension and to the establishment of peace and tranquility without which unification could not be achieved."

## ANNEX VII

### Text of the resolution on national security adopted by the National Assembly on 6 February 1968

1. The National Assembly demands from the President and supports his taking stern measures against North Korea's provocative acts subject to popular support.
2. The nation cannot ignore the barbarous provocative acts. Thus, the National Assembly demands that the Administration take stern security measures, on its own, against recurrence of any intrusions from here on.
3. The National Assembly emphasizes that the intrusion of the armed North Korean agents is a more vital issue than the hijacking of the USS Pueblo by North Korea.
4. The National Assembly demands that the Administration take positive measures as soon as possible to strengthen and maintain armed forces superior to those of North Korea.
5. The National Assembly cannot help being perturbed by the fact that without prior consent of the Republic of Korea Government secret negotiations between the United States and North Korea have been carried on in Panmunjom, which is a part of national territory.
6. The National Assembly urges the Government to reconsider treaties and agreements concluded between the Republic of Korea and other nations so as to protect national security permanently as well as to take automatic action in case of future emergencies.
7. The National Assembly demands that the Government strengthen the national police by supplying it with up-to-date weapons in order to cope with Communist infiltration.
8. The National Assembly demands that the Administration take measures to compensate and protect those who co-operated in the search for the armed North Korean agents and to protect important national facilities against subversion.
9. The National Assembly demands that the Administration take disciplinary action against the Government officials concerned regardless of their rank, in connexion with the 21 January incident. It also calls on the CIA authorities not to interfere in political affairs but to concentrate on its assigned duties.

## ANNEX VIII

Excerpt from the joint communiqué issued by  
President Lyndon B. Johnson and President  
Park Chung Hee at the conclusion of their  
meeting in Honolulu on 18 April 1968

"The two Presidents reviewed in detail the serious threat to the security of the Republic of Korea and to peace in East Asia resulting from the increasingly belligerent and aggressive actions of the North Korean communists during the past eighteen months, including the attack directed at the official residence of the President of the Republic of Korea and the seizure of USS Pueblo in international waters in January. They reviewed the plans of their two Governments for dealing with the grave situation created by these North Korean acts of aggression. President Park expressed his deep sympathy for the families and relatives of the crew of the USS Pueblo and sincerely hoped they will soon regain their freedom from the hands of the North Korean communists.

"The two Presidents agreed that further aggressive actions by the North Korean communists would constitute a most grave threat to peace. In that event, their two Governments would immediately determine the action to be taken to meet this threat under the mutual defence treaty between the United States and the Republic of Korea. In accordance with this treaty, President Johnson reaffirmed the readiness and determination of the United States to render prompt and effective assistance to repel armed attacks against the Republic of Korea.

"President Johnson reaffirmed the adherence of his Government to the joint policy declaration which was signed on 27 July 1953 by the sixteen nations which supported the Republic of Korea during the Korean war.

"The two Presidents reviewed the extraordinary measures which have been taken to strengthen Korean and American forces in the Republic of Korea. They agreed that these efforts should be continued in order that the armed forces of their countries would be able to deal effectively and swiftly with all contingencies in Korea.

"The two Presidents recognized the need for strengthening security of the Republic of Korea as important not only for Korea but for the security of the general area. President Johnson recognized the need for continuing modernization of the armed forces of the Republic of Korea and the two Presidents reviewed the contribution which United States military assistance would make to such modernization and to the strengthening of the effective counter-infiltration programmes which have already been developed by the Republic of Korea. They agreed that the first meeting between their respective defence ministries at ministerial level should be held in Washington in May to discuss and deliberate these matters further. President Park outlined and discussed the various measures being taken by his Government to ensure public safety and to thwart North Korean attempts at infiltration and sabotage. President Johnson expressed his satisfaction with and support for those measures, including the organization of the Homeland Reserve Force, which he felt were wise and farseeing.

"President Johnson expressed his admiration for the rapid economic progress of the Republic of Korea, which has continued without pause despite the attempts of the North Korean régime to disrupt public order and confidence in the south.

"The two Presidents agreed that continued private investment from the United States and other friendly countries was desirable, and should be encouraged....."

# ANNEX IX

## Summary of casualties resulting from incidents in the demilitarized zone during the period 1 August 1967 through 21 August 1968

### United Nations Command personnel

### North Korean personnel

Date	Killed in action	Wounded in action	Missing in action	Killed in action	Wounded in action	Apprehended
1 Aug 1967	1	6		1		
2 Aug 1967		7				
5 Aug 1967		2				
7 Aug 1967		1		3		
8 Aug 1967	2	6		3		
9 Aug 1967		2				
10 Aug 1967	5	18		1		
11 Aug 1967				1		1
13 Aug 1967	4	6		4		
14 Aug 1967	1	1		1		
15 Aug 1967	2	2		6		
16 Aug 1967				2		
18 Aug 1967	4	1		1		
19 Aug 1967				2		
20 Aug 1967	6	5		3		
21 Aug 1967				2		
22 Aug 1967	3	4				
27 Aug 1967	6	13				
28 Aug 1967	7	32		3		1
29 Aug 1967	3	7		2		
31 Aug 1967				2		1
1 Sep 1967	1					
5 Sep 1967		2				
6 Sep 1967				1		
7 Sep 1967		2				
9 Sep 1967	1			1		3
12 Sep 1967	1					
13 Sep 1967	2	4		3		
15 Sep 1967		3		1		
16 Sep 1967	1					
17 Sep 1967		1				
18 Sep 1967		2				
20 Sep 1967		1				
22 Sep 1967				1		
25 Sep 1967		1				
23 Sep 1967						2

## United Nations Command personnel

## North Korean personnel

Date	Killed in action	Wounded in action	Missing in action	Killed in action	Wounded in action	Apprehended
2 Oct 1967	1	1				
4 Oct 1967		1				
6 Oct 1967	1					
8 Oct 1967	1	2				
9 Oct 1967				1		
11 Oct 1967						1
12 Oct 1967				3		
19 Oct 1967	2	4				
31 Oct 1967						1
6 Nov 1967	1					
7 Nov 1967	5	8				
10 Nov 1967						1
11 Nov 1967						1
20 Nov 1967	1					
22 Nov 1967		4				
8 Dec 1967				1		2
21 Jan 1968	8	6				
22 Jan 1968	2	9		5		
23 Jan 1968		7		1		
24 Jan 1968	25	27		11		
25 Jan 1968		12		5		
26 Jan 1968	2	3		3		
27 Jan 1968		3		2		
31 Jan 1968				1		
3 Feb 1968				1		
14 Apr 1968	4	2				
17 Apr 1968	1	3	3			
20 Apr 1968		1			4	
21 Apr 1968	1	3		1	15	
27 Apr 1968	1	2				
29 Apr 1968	2	2				
13 May 1968		1				
31 May 1968	1	1				
8 Jun 1968		3				
15 Jun 1968				1		
17 Jun 1968				1		
19 Jun 1968	1	4		7		
22 Jun 1968	2	2		6		
25 Jun 1968		1		3		
28 Jun 1968				1		
30 Jun 1968		1				

## United Nations Command personnel

## North Korean personnel

Date	Killed in action	Wounded in action	Missing in action	Killed in action	Wounded in action	Apprehended
3 Jul 1968		1				
8 Jul 1968		4		4		
10 Jul 1968		2				
11 Jul 1968		1		4		
18 Jul 1968		1				
20 Jul 1968	2					
21 Jul 1968		1				
23 Jul 1968	4	2				
22 Jul 1968		1				
24 Jul 1968				1		
26 Jul 1968				1		
28 Jul 1968	1	2	1			
30 Jul 1968	1	8		5		
31 Jul 1968	1	3		2		
29 Jul 1968	1					
1 Aug 1968	1	4		1		
3 Aug 1968	1	1				
4 Aug 1968	1	6		10		1
5 Aug 1968	3	2		1		
7 Aug 1968	1	1				
8 Aug 1968				2		
10 Aug 1968		1		4		
12 Aug 1968		1				
13 Aug 1968				7		
14 Aug 1968				2		
20 Aug 1968		3		10		
21 Aug 1968		1		2		
	129	288	4	154	19	15



## ANNEX X

### DELEGATIONS TO THE COMMISSION AND UNITED NATIONS SECRETARIAT

#### A. Delegations to the Commission

##### Australia

###### Representatives

H.E. Mr. R.A. Peachey, Ambassador of Australia to the Republic of Korea (until 8 April 1968)

H.E. Mr. Allan H. Loomes, Ambassador of Australia to the Republic of Korea (from 4 June 1968)

###### Alternate Representatives

Mr. Peter G. Timmins (until 15 December 1967)

Mr. Richard M. North (from 1 March 1968)

###### Adviser

Mr. John B. Campbell

##### Chile

###### Representative

H.E. Mr. Augusto Marambio, Ambassador of Chile to Japan

###### Alternate Representative

Mr. Lucio Parada

##### Netherlands

###### Representative

H.E. Mr. R.H. van Gulik, Ambassador of the Netherlands to the Republic of Korea (until 24 September 1967)

###### Alternate Representative

Mr. W.Ch.E.A. de Vires

##### Pakistan

###### Representative

H.E. Mr. S.M. Murshed, Ambassador of Pakistan to Japan

## Philippines

### Representatives

H.E. Mr. Pedro G. Ramirez, Ambassador of the Philippines to the Republic of Korea (until 12 April 1968)

H.E. Mr. Benjamin T. Tirona, Ambassador of the Philippines to the Republic of Korea (from 4 May 1968)

### Alternate Representatives

Mr. Lupo I. Leyva (until 22 June 1968)

Mr. H.O. Gutierrez (from 6 August 1968)

## Thailand

### Representatives

H.E. Mr. Yuad Loesrit, Ambassador of Thailand to the Republic of Korea (until 10 January 1968)

H.E. Major-General Chote Klongvicha, Ambassador of Thailand to the Republic of Korea (from 13 January 1968)

### Alternate Representative

Mr. Srisward Punkrasin

## Turkey

### Representative

H.E. Mr. Bülend N. Kestelli, Ambassador of Turkey to the Republic of Korea

### Alternate Representative

Mr. Sarik Ariyak

## B. United Nations Secretariat

The Secretariat was headed by the Principal Secretary, Mr. Ali Nekunam (until 18 June 1968), and then by Mr. Zouheir Kuzbari (from 19 June 1968), assisted by a staff consisting of a Political Affairs Officer, an Economic Affairs Officer, and Administrative and Finance Officer, as well as Field Service research and administrative personnel.

ANNEX XI

GOVERNMENT OF THE REPUBLIC OF KOREA

A. Executive

President of the Republic

Park Chung Hee

Ministers

Prime Minister (head of Cabinet)

Chung Il Kwon

Deputy Prime Minister and Minister  
of the Economic Planning Board

Chang Key Young  
(from 11 May 1964 to  
3 October 1967)  
Park Choong Hoon  
(from 3 October 1967)

Foreign Affairs

Choi Kyu Ha

Home Affairs

Lee Ho  
(from 30 June 1967 to  
21 May 1968)  
Park Kyung Won  
(from 21 May 1968)

Finance

Suh Bong Kyun  
(from 27 December 1966 to  
21 May 1968)  
Whang Chong Yul  
(from 21 May 1968)

Justice

Kwon Oh Byung  
(from 26 September 1966  
to 21 May 1968)  
Lee Ho  
(from 21 May 1968)

National Defence

Kim Sung Eun  
(from 16 March 1963 to  
27 February 1968)  
Choi Young Hi, Lt. Gen. (retired)  
(from 27 February 1968 to  
5 August 1968)  
Im Chung Shik, General (retired)  
(from 5 August 1968)

Ministers (continued)

Education	Moon Hong Ju (from 26 September 1966 to 21 May 1968) Kwon Oh Byong (from 21 May 1968)
Agriculture and Forestry	Kim Young Jun (from 30 June 1967 to 21 May 1968) Lee Kae Sun (from 21 May 1968)
Commerce and Industry	Park Choong Hoon (from 7 July 1964 to 3 October 1967) Kim Chung Yum (from 3 October 1967)
Health and Social Affairs	Chung Hi Sup
Transportation	Ahn Kyung Mo (from 8 July 1964 to 3 October 1967) Park Kyung Won (from 3 October 1967 to 21 May 1968) Kang Suh Rong (from 21 May 1968)
Communications	Park Kyung Won (from 27 December 1966 to 3 October 1967) Whang Chong Yul (from 3 October 1967 to 21 May 1968) Kim Tae Dong (from 21 May 1968)
Culture and Public Information	Hong Chong Chul
Construction	Kim Yoon Ki (from 4 April 1967 to 3 October 1967) Zew Won (from 3 October 1967)
Cabinet Administration	Lee Souck Jae
Science and Technology	Kim Ki Hyong

## Ministers (continued)

### Ministers without Portfolio

Whang Chong Yul (in charge of  
economic affairs)  
(from 27 December 1966 to  
3 October 1967)  
Kim Yoon Ki (Economic Affairs)  
(from 3 October 1967)  
Kim Won Tae (in charge of  
political affairs)

### B. Other organs under the executive branch

#### National Security Council

Chairman

Park Chung Hee

Principal Secretary

Bae Duck Chin

#### Economic and Scientific Council

Chairman

Park Chung Hee

Principal Secretary

Kim Chung Moo

#### Board of Inspection

Chairman

Lee Joo Il

#### Central Intelligence Agency

Director

Kim Hyung Wook

### C. National Assembly

#### Seventh National Assembly

##### Officers

##### Speaker

Rhee Hyo Sang

##### Vice-Speakers

Chang Kyung Soon (DRP)  
Yoon Che Sul (NDP)  
(from 7 June 1968)

## Officers (continued)

### Chairmen of the Standing Committees

Justice and Legislation	Kim Jang Sup
Foreign Relations	Park Joon Kyu
Home Affairs	Oh Chi Seong
Finance and Economy	Yang Soon Jik
National Defence	Min Ki Sik
Education and Culture - Public Information	Yuk In Soo
Agriculture and Forestry	Chun Hyu Sang
Commerce and Industry	Ye Choon Ho
Public Health and Social Affairs	Lee Wu Hun
<b>Transportation and Communications</b>	Chung Chin Dong
Construction	Choi Chi Whan
Steering	Hyun Oh Bong

### Sessions

61st (Extraordinary) session:	10 July 1967 to 8 August 1967
62nd (Regular) session:	1 September 1967 to 29 December 1967
63rd (Extraordinary) session:	31 January 1968 to 29 February 1968
64th (Extraordinary) session:	1 April 1968 to 2 April 1968
65th (Extraordinary) session:	15 April 1968 to 14 May 1968
66th (Extraordinary) session:	5 June 1968 to 4 July 1968

### D. Judiciary

The Supreme Court	
Chief Justice	Cho Chin Man

### E. Central Election Management Committee

Chairman	Sa Kwang Ook (from 21 January 1963 to 28 February 1968 Chu Chao Hwang (from 28 February 1968)
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## ANNEX XII

### International relations of the Republic of Korea

#### A. States with which diplomatic relations have been or are to be established

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

###### Resident Embassies

Argentina	Japan
Australia	Kenya
Austria	Malaysia
Belgium	Mexico
Brazil	Morocco
Canada	Philippines
Chile	Republic of Viet-Nam
China (Republic of)	Sweden
Ethiopia	Switzerland
Federal Republic of Germany	Thailand
France	Turkey
Iran	Uganda
Italy	United Kingdom
Ivory Coast	United States of America
	Uruguay

###### Non-resident embassies

Bolivia	Liberia
Cameroon	Luxembourg
Chad	Malagasy Republic
Colombia	Malawi
Congo (Democratic Republic of)	Malta
Costa Rica	Netherlands
Dahomey	New Zealand
Denmark	Nicaragua
Dominican Republic	Niger
Ecuador	Norway
El Salvador	Panama
Gabon	Paraguay
Gambia	Peru
Greece	Portugal
Guatemala	Saudi Arabia
Holy See	Senegal
Honduras	Sierra Leone
Iceland	Spain
Jamaica	Togo
Jordan	Upper Volta
	Venezuela

2. Foreign embassies in the Republic of Korea

Resident embassies

Australia	Japan
Brazil	Malaysia
China (Republic of)	Philippines
Federal Republic of Germany	Republic of Viet-Nam
France	Thailand
Holy See	Turkey
Israel	United Kingdom
Italy	United States of America

Non-resident embassies

Argentina	Malagasy Republic
Austria	Mexico
Belgium	Morocco
Canada	Netherlands
Colombia	New Zealand
Denmark	Norway
Ecuador	Panama
El Salvador	Peru
Ethiopia	Saudi Arabia
Greece	Spain
Iran	Sweden
Jordan	Switzerland
	Uruguay

3. Countries with which agreements have been reached to establish diplomatic relations

Botswana	Laos
Central African Republic	Lesotho
Guyana	Maldives
Haiti	Rwanda

B. Missions of the Republic of Korea to international organizations

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. Consulates General and Consulates of the Republic of Korea<sup>a/</sup>

Burma

Rangoon

Crown Colony of the British Commonwealth

Hong Kong

Federal Republic of Germany

Hamburg

India

New Delhi

Indonesia

Djakarta

Japan

Fukuoka

Kobe

Nagoya

Osaka

Sapporo

Sendai

Shimonoseki

Yokohama

Pakistan

Islamabad

United Arab Republic

Cairo

United States of America

Honolulu

Los Angeles

New York

San Francisco

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<sup>a/</sup> This list does not include consulates maintained within the Republic of Korea embassies abroad.

D. Consulates General and Consulates in the Republic of Korea<sup>b/</sup>

Austria	Netherlands
Belgium	Norway
Denmark	Paraguay
Greece	Peru
Indonesia	Spain
Japan (Pusan)	Sweden
Jordan	Switzerland

E. Conclusion of or accession to international treaties and agreements  
(16 July 1967 to 19 July 1968)

Principal bilateral treaties

Date of signature

Cultural Agreement between the Government of the Republic of Korea and the Republic of the United States of Brazil

7 February 1966

Agreement between the Government of the Republic of Korea and the Government of Japan for Air Services

16 May 1967

Loan Agreement between the Republic of Korea (Korea Electric Company) and the United States of America

17 June 1967

Loan Agreement between the Republic of Korea (Korea Electric Company) and the United States of America

29 June 1967

Loan Agreement between the Republic of Korea (Inchon City) and the United States of America

30 June 1967

Air Services Agreement between the Government of the Republic of Korea and the Government of the Kingdom of Thailand

7 July 1967

Agreement between the Government of the Republic of Korea and the Government of the Kingdom of Thailand concerning the Waiver of Visa Fees and the Exemption from Visa for Diplomats, etc.

5 September 1967

Agreement concerning Collaboration in the Field of Family Planning between the Government of the Republic of Korea and the Government of the Kingdom of Sweden

8 September 1967

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<sup>b/</sup> This list does not include consulates maintained within the embassies in the Republic of Korea.

Principal bilateral treaties (continued)

Date of signature

Loan Agreement for Dairy Development  
between the Government of the Republic  
of Korea and the Government of Canada

15 September 1967

Trade Agreement between the Government of  
the Republic of Korea and the Government  
of the Union of Burma

30 September 1967

Agreement between the Government of the  
Republic of Korea and the Government of  
Japan concerning the establishment of  
Kyung-Puk Institute of Technology

25 October 1967

Development Credit Agreement between the  
Republic of Korea and the International  
Development Association (IDA)

18 December 1967

Loan Agreement between the Republic  
of Korea (Korean Development Finance  
Corporation) and the United States of  
America

31 January 1968

Third Loan Agreement between the Republic  
of Korea and the United States of America

24 February 1968

Agreement between the Government of the  
Republic of Korea and the Government of  
the United States of America regarding  
the Issuance of Non-immigrant Visas

28 March 1968

Agreement between the Government of the  
Republic of Korea and the Swedish Government  
regarding Technical Co-operation in the  
Field of Family Planning

12 July 1968

Loan Agreement between the Republic of  
Korea (the Korean Reconstruction Bank) and  
the United States of America

26 August 1968

Principal multilateral treaties

1967 Protocol for the Further Extension of  
the International Wheat Agreement, 1962

5 July 1967

Protocol to Amend the Convention for the  
Unification of Certain Rules Relating to  
International Carriage by Air signed  
at Warsaw on 12 October 1929

15 July 1967

Principal multilateral treaties (continued)

Date of signature

Treaty on Principles Governing the Activities of States in the Exploration and Use of Outer Space, including the Moon and other Celestial Bodies

13 October 1967

Agreement between the International Atomic Energy Agency, the Government of the Republic of Korea and the Government of the United States of America for the Application of Safeguards

5 January 1968

Loan Guarantee Agreements between the Republic of Korea on the one hand and the International Bank for Reconstruction and Development (IBRD) and the International Finance Corporation (IFC) on the other

31 January 1968

Treaty on the Non-proliferation of Nuclear Weapons

1 July 1968

Convention Establishing a Customs Co-operation Council

12 July 1968

F. Major international conferences attended by representatives of the Republic of Korea during the period 16 July 1967 to August 1968

United Nations

Twenty-second session of the United Nations General Assembly - Observer (New York)

Twenty-fourth annual session of the Economic Commission for Asia and Far East (Canberra)

Meeting of ECAFE Developing Countries on United Nations Conference on Trade and Development (Bangkok)

Eleventh session of the ECAFE Committee on Trade (Bangkok)

ECAFE Committee on Industry and Natural Resources (Bangkok)

Second session of UNCTAD (New Delhi)

First annual session of the Asian Development Bank (Manila)

International Symposium on Industrial Development, United Nations Industrial Development Organization (Athens)

The United Nations Conference on Law of Treaties (Vienna)

International Atomic Energy Agency

Eleventh regular session of the General Conference (Vienna)

Food and Agriculture Organization  
of the United Nations

Fourteenth General Conference of FAO (Rome)

World Health Organization

Eighteenth session of the Regional Committee for the Western Pacific (Taipei)

International Monetary Fund (IMF)  
International Bank of Reconstruction and Development (IBRD)

Annual Conference (Rio de Janeiro)

Other conferences

International Wheat Conference (Rome)

Ministerial Meeting of the Group of 77 (Algiers)

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

World Administrative Radio Conference (Geneva)

Twenty-ninth session of the Board of Governors of the League of Red Cross Societies (The Hague)

Thirteenth General Conference of the Intergovernmental Oceanographic Commission (Paris)

Fifth session of the Intergovernmental Maritime Consultative Organization (London)

International Telegraph and Telephone Consultative Committee (CCITT) World Plan Committee (Mexico City)

Eighteenth session of Colombo Plan Consultative Committee (Rangoon)

Seventeenth General Conference of Pacific Area Travel Association (Taipei)

Second Meeting of the International Economic Consultative Organization for Korea (Washington, D.C.)

Seven-Nation Meeting on Viet-Nam (Wellington)

Third General Conference of the Afro-Asian Rural Reconstruction Organization  
(Seoul)

Third Ministerial Meeting of Asian and Pacific Council (ASPAC) (Canberra)

Non-governmental organizations

Hundred and first and hundred and second sessions of the Council of the  
Inter-Parliamentary Union (Geneva and Dakar)

Third General Assembly of the Asian Parliamentary Union (Bangkok)

## ANNEX XIII

Economic data tables1. Gross national product, 1965-1967  
(At 1965 constant market prices)

	<u>(Amount (billion won))</u>			<u>Structure (per cent)</u>		
	1965	1966	1967	1965	1966	1967
A. <u>Gross national product</u>	805.85	913.82	995.43	100.0	100.0	100.0
B. <u>By industrial origin</u>						
<u>Primary</u>	311.63	345.91	325.27	38.7	37.9	32.7
Fishery	13.62	15.07	16.70	1.7	1.6	1.7
<u>Secondary</u>	195.44	228.51	276.44	24.2	24.9	27.8
Mining and quarrying	14.73	15.67	16.87	1.8	1.7	1.7
Manufacturing	142.81	165.76	205.33	17.7	18.1	20.6
Construction	27.54	34.84	38.47	3.3	3.8	3.9
<u>Tertiary</u>	298.78	339.40	393.72	37.1	37.2	39.5
Transportation, storage and communications	32.14	37.67	45.56	4.0	4.1	4.6
C. <u>By expenditure</u>						
Private consumption expenditure	669.08	716.99	783.92	83.0	78.5	78.7
Government consumption expenditure	76.02	84.76	93.42	9.4	9.3	9.4
Gross domestic fixed capital formation	117.64	190.63	232.09	14.6	20.9	23.3
Increase in stocks	0.84	16.75	9.63	0.1	1.8	1.0
Export of goods and services	68.61	104.49	141.83	8.5	11.4	14.2
Import of goods and services (-)	128.93	203.30	274.05	16.0	22.2	27.5
Net factor income from abroad	7.65	13.08	21.53	1.0	1.4	2.2
Statistical discrepancy	-5.06	-9.58	-12.94	-0.6	-1.1	-1.3

Source: Bank of Korea.

## 2. Output of agriculture, fishery and forestry, 1965-1967

Unit of measurement (1,000 MT)	1965	1966	1967	Rate of change (per cent) 1966-1967
<u>Agriculture</u>				
Rice	3,501	3,919	3,603	-8.1
Summer grains	2,136	2,375	2,253	-5.1
Barley	1,807	2,018	1,916	-5.1
Wheat	300	315	310	-1.6
Rye	29	42	27	-35.7
Other grains	120	107	114	6.5
Potatoes	1,045	972	631	-35.1
Pulses	202	195	235	20.5
Raw cotton	11.8	13.7	11.9	-13.1
Tobacco	56.1	71.9	31.5	-56.2
<u>Fishery</u>				
Fish	393	402	478.8	19.1
Deep sea fish	8.6	29.6	37.9	28.0
Sea plants	43	50	61.4	22.8
Shellfish	19	30	24.9	-17.0
Others	101	101	84.3	-16.5
Total	562	583	649.4	11.4
<u>Forestry</u>				
Planted area (1,000 hectares)	129,909	139,123	454,779	226.9
Planted trees (1,000 trees)	323,216	315,662	1,447,016	358.4

Source: Ministry of Agriculture and Forestry of the Republic of Korea.



### 3. Agricultural sector

Area of cultivated land (In 1,000 chongbo) <u>a/</u>		Utilization of land (In 1,000 chongbo) <u>a/</u>	Fertilizer/Supply (metric ton)		Lime Supply (metric ton)	
Total	Upland		Target	Actual	Target	Actual
1965	2,275	978	485,858	393,098	500,000	449,589
1966	2,312	1,014	532,841	423,271	500,000	174,492
1967	2,331	1,029	606,631	486,491	425,000	189,446

Source: Ministry of Agriculture and Forestry of the Republic of Korea.

a/ 1 chongbo = 2.45 acres.

4. Index number of industrial production, 1966-1967  
(1965=100)

	1966	1967	June 1968
<u>Total</u> . . . . .	117.3	142.1	180.4
<u>Mining</u> . . . . .	110.8	119.5	112.0
Coal . . . . .	113.3	120.6	98.7
Metal . . . . .	108.1	102.2	126.6
Non-metal . . . . .	104.1	138.9	145.4
<u>Manufacturing</u> . . . . .	117.9	144.3	189.8
Food . . . . .	123.6	150.5	208.4
Textiles . . . . .	111.1	138.1	183.3
Wood and cork . . . . .	133.3	162.2	252.4
Paper and paper products . . . . .	115.7	125.6	133.9
Rubber products . . . . .	101.4	99.6	127.1
Chemicals . . . . .	119.6	158.1	188.4
Petroleum and coal products . . . . .	124.3	149.4	250.7
Glass, clay and stone products . . . . .	117.7	154.2	238.1
Basic metal . . . . .	119.3	130.2	161.1
Metal products . . . . .	113.3	141.5	155.6
Machinery . . . . .	101.7	111.0	138.1
Electrical machinery . . . . .	134.7	156.8	170.7
Transport equipment . . . . .	160.5	188.4	292.9
<u>Electricity</u> . . . . .	119.6	151.1	169.4

Source: Bank of Korea, Monthly Statistical Review, June 1968.

5. Transport sector performance 1967  
and plan for 1968

		1967		1968
		<u>Planned</u>	<u>Actual</u>	<u>Planned</u>
A.	<u>Railroad</u>			
	(a) Rolling stock (number)			
	Locomotives (diesel)	252	252	282
	Passenger cars	1,607	1,363	1,815
	(b) Track length (km)			
	Length of railways in operation	3,104.6	3,062.7	3,739.1
	(c) Performance			
	Million passenger/km	9,826	9,577	10,650
	Million ton/km	6,811	5,960	7,050
B.	<u>Highway</u>			
	(a) Total (km)	34,476	34,476	n.a.
	National highway	8,186	5,969 <sup>a/</sup>	8,267
	Super-highway	-	-	52.8
	(b) Vehicles (number)			
	Commercial	38,150	37,554	43,354
	Non-commercial	24,546	23,143	30,143
	(c) Performance			
	Million passenger/km	10,918	11,573	12,775
	Million ton/km	654	693	746
C.	<u>Inland sea transport</u>			
	(a) Number of vessels	939	979	1,250
	(b) Tonnage (GT)	58,950	79,364	113,914
D.	<u>Ship-building</u>			
	(a) Number of ships	23	22	59
	(b) Tonnage (GT)	21,620	18,191	32,473
E.	<u>Aircraft</u>			
	(a) Number	n.a.	47	n.a.

Source: Bank of Korea and Ministry of Transportation.

Note: n.a. means not available

a/ Estimated.

6. Government finance  
(In billion won)

	1 9 6 7				1 9 6 8		
	Original budget	First supple- mentary budget	Second supple- mentary budget	Structure (per cent)	Original budget	First supple- mentary budget	Structure (per cent)
<b>A. <u>General government sector</u></b>							
<b>1. <u>Receipts</u></b>							
Taxes . . . . .	107.1	107.1	118.7	66.3	157.9	176.9	70.3
Domestic . . . . .	88.7	88.7	96.4	53.9	126.6	143.6	57.1
Customs . . . . .	18.4	18.4	22.3	12.4	31.3	33.3	13.2
Government monopoly profits . . . . .	9.0	9.0	10.0	5.6	14.8	14.8	5.9
Miscellaneous non-tax revenues . . . . .	8.6	9.1	11.4	6.4	10.6	18.2	7.2
Counterpart funds . . .	26.1	26.1	26.1	14.6	19.7	24.8	9.9
Trust fund and interest	9.7	9.7	9.1	5.1	12.0	12.9	5.1
Military support in Viet-Nam . . . . .	2.8	2.8	3.6	2.0	4.1	4.1	1.6
Total	163.3	163.8	178.9	100.0	219.1	251.7	100.0
<b>2. <u>Expenditure</u></b>							
Civil . . . . .	78.2	78.7	85.5	47.2	106.9	115.9	45.7
Defence . . . . .	48.0	48.0	49.4	27.3	59.9	64.7	25.5
(Counterpart funds) .	(24.6)	(24.6)	(24.6)	(13.6)	(18.0)	(19.4)	(7.6)
Economic development .	37.1	37.1	46.2	25.5	54.2	73.0	28.8
(Counterpart funds) .	(1.9)	(1.9)	(4.1)	(2.3)	(3.4)	(7.1)	(2.8)
Total	163.3	163.8	181.1	100.0	221.0	253.6	100.0
<b>3. <u>Surplus or deficit</u> .</b>	-	-	-2.2		-1.9	-1.9	
<b>B. <u>Government enterprises</u> <u>accounts (net)</u></b>							
Surplus or deficit (-) . .	-5.0	-5.0	-18.9		-5.7	-5.7	
<b>C. <u>Other special accounts</u> <u>(net)</u></b>							
Surplus or deficit (-) . .	-2.4	-2.4	-2.4		-1.3	-4.3	
<b>D. <u>Consolidated surplus or</u> <u>deficit (-) . . . . .</u></b>							
Financed by							
(1) Cash balance (increase -)	1.0	1.0	3.2		2.6	2.6	
(2) Borrowing from Bank of Korea (increase +) . . . .	0.1	0.1	10.1		-	-	
(3) Borrowing from public.	-1.1	-1.1	-1.1		-0.6	2.4	
(4) Borrowing from abroad.	7.4	7.4	11.3		6.9	6.9	

Source: Bank of Korea.

7. Monetary developments 1966, 1967-June 1968  
(In billion won)

At the end of				
	1966	1967	March 1968	June 1968
A. Fiscal sector <sup>a/</sup> . . . .	31.350	32.098	39.613	43.181
B. Private sector . . . .	103.649	200.163	234.352	278.831
C. Money savings . . . .	85.742	159.950	185.251	227.435
D. Net private sector . .	17.907	40.213	49.101	51.396
E. Foreign sector . . . .	34.922	47.717	41.693	40.941
F. Money supply (A+D+E) .	84.179	120.028	130.407	135.518

Source: Compiled from data supplied by the Bank of Korea.

a/ Taking into account fertilizer sector and government enterprises deposits.

8. Price Movements  
(1965=100)

Wholesale price					Consumer price			
	Grains	Non-Grains	Aggregate	Rate of change (per cent)	Grains	Non-grains	Aggregate	Rate of change (per cent)
1966 . . . . .	105.0	109.4	108.8	8.8	104.0	111.1	111.3	11.3
1967 . . . . .	117.0	115.7	115.8	6.5	111.3	122.3	123.4	10.9
1968 June . . . .	128.3	124.8	125.2	5.1 <sup>a/</sup>	120.7	132.2	135.4	5.1 <sup>a/</sup>

Source: Bank of Korea and Economic Planning Board.

a/ Percentage increase since December 1967.

9. Balance of payments 1966 and 1967  
(In million US dollars)

	1966	1967
A. Goods and services		
Receipts (total) . . . . .	454.7	643.4
Exports (f.o.b.) . . . . .	250.3	320.0
Sales to United Nations forces . . . . .	100.9	147.1
Others . . . . .	103.5	176.3
Payments (total) . . . . .	-777.7	-1,064.1
Imports (f.o.b.) . . . . .	-679.9	-908.9
Freight and insurance on imports . . . . .	-46.8	-67.1
Others . . . . .	-51.0	-88.1
Net balance . . . . .	-323.0	-420.7
B. Net private transfer payments and private capital . . . . .	242.6	286.4
C. Errors and omissions . . . . .	4.4	14.3
D. Net total (A-C) . . . . .	-76.0	-120.0
E. Net official aid received <sup>a/</sup> . . . . .	198.0	230.7
F. Monetary movements		
IMF . . . . .	-1.3	-
Korea-Japan open account . . . . .	-7.5	-4.6
Foreign exchange holdings (increase -) . . . . .	-97.5	-111.4
Other short-term liabilities . . . . .	-15.6	5.3
Monetary gold (increase -) . . . . .	-0.1	-
Total	-122.0	-110.7

Source: Bank of Korea.

<sup>a/</sup> Including official loans received.

10. Imports by source of funds  
(In thousand US dollars)

	Total	Commercial	Official aid	Foreign Loans	Relief and others
1962 . . .	421,782	178,989 (42.4)	218,539 (51.8)	4,535 ( 1.1)	19,718 ( 4.7)
1965 . . .	463,442	248,351 (53.6)	135,535 (29.2)	31,482 ( 6.8)	48,073 (10.4)
1966 . . .	716,441	401,912 (56.1)	143,629 (20.0)	108,419 (15.1)	62,480 ( 8.7)
1967 . . .	996,246	673,513 (67.6)	119,176 (12.0)	167,332 (16.8)	36,226 ( 3.6)

Source: Bank of Korea, Economic Statistics Yearbook, 1968.

Figures in parentheses indicate the percentage of the total.

11. Value of exports and imports by destination, 1966 and 1967  
(In thousand US dollars)

	Exports				Imports			
	1966		1967		1966		1967	
	Value	Structure (per cent)	Value	Structure (per cent)	Value	Structure (per cent)	Value	Structure (per cent)
Asia	104,836	41.9	129,143	40.3	384,822	53.7	573,605	57.6
Japan	66,293	26.5	84,723	26.5	293,794	41.0	443,025	44.5
Republic of China	2,075	0.8	3,104	1.0	10,826	1.5	27,223	2.7
Philippines	789	0.3	565	0.2	20,949	2.9	21,861	2.2
Malaysia	367	0.1	326	0.1	10,110	1.4	19,609	2.0
Iran	1,101	0.4	1,217	0.4	17,089	2.4	11,991	1.2
Hong Kong	9,489	3.8	15,215	4.8	7,658	1.1	12,022	1.2
Borneo	1	-	26	-	3,880	0.5	6,354	0.6
Singapore	2,512	1.0	4,142	1.3	2,555	0.4	5,001	0.5
India	281	0.1	398	0.1	438	-	1,143	0.1
Indonesia	803	0.3	1,229	0.4	1,093	0.2	1,331	0.1
Israel	7	-	2	-	3,778	0.5	740	-
Republic of Viet-Nam	13,843	5.5	7,348	2.3	3	-	524	-
Thailand	4,754	1.9	5,641	1.8	853	0.1	513	-
Turkey	4	-	5	-	0	-	79	-
Pakistan	60	-	2,190	0.7	65	-	29	-
Europe	34,148	13.6	33,184	10.4	55,802	7.8	84,252	8.5
Federal Republic of Germany	6,975	2.8	5,233	1.6	20,250	2.8	30,952	3.1
France	954	0.4	2,116	0.7	10,906	1.5	16,718	1.7
Italy	1,243	0.5	1,087	0.3	16,082	2.3	6,355	0.6
Netherlands	4,262	1.7	3,664	1.1	2,808	0.4	5,974	0.6
United Kingdom	5,066	2.0	7,883	2.5	2,211	0.3	5,264	0.5
Sweden	9,832	3.9	8,035	2.5	1,157	0.2	2,232	0.2
North America	102,055	40.8	146,026	45.6	257,208	35.9	314,661	31.6
United States	95,782	38.3	137,431	42.9	253,694	35.4	305,160	30.6
Canada	5,765	2.3	7,914	2.5	2,689	0.4	8,390	0.8
South America	369	0.1	68	-	2,878	0.4	3,124	0.3
Africa	7,017	2.8	8,761	2.7	7,133	1.0	8,720	0.9
United Arab Republic	0	-	7	-	24	-	136	-
Union of South Africa	539	0.2	1,024	0.3	1,530	0.2	844	-
Oceania	1,307	0.8	3,038	0.9	7,848	1.1	11,083	1.1
Australia	1,306	0.5	2,249	0.7	6,378	0.9	8,915	0.9
New Zealand	50	-	218	-	1,470	0.2	2,134	0.2
Unclassified	3	-	3	-	749	-	800	-
Total	250,334	100.0	320,229	100.0	716,441	100.0	996,246	100.0

Source: Bank of Korea, Economic Statistics Yearbook, 1968.



12. Commodity structure of exports and imports, 1962, 1966 and 1967  
(In thousand US dollars)

	Exports						Imports						Rate of change (per cent) 1966-1967	
	1962			1967			1962			1967				
	Value	Structure (per cent)		Value	Structure (per cent)		Value	Structure (per cent)		Value	Structure (per cent)			
Food and animals	21,899	39.3	41,274	16.5	37,922	11.8	48,647	11.5	72,365	10.1	94,115	9.4	-8.1	30.0
Beverages and tobacco	141	0.3	6,892	2.8	7,019	2.2	86	-	266	-	783	-	1.8	194.4
Crude materials (inedible) except fuel	19,320	35.2	46,680	18.6	58,005	18.1	89,690	21.3	153,924	21.5	208,473	20.9	24.3	35.4
Mineral fuels, lubricants and related materials	2,760	5.0	1,503	0.6	1,772	0.6	30,606	7.3	42,447	5.9	61,607	6.2	17.7	45.1
Animal and vegetable oil and fats	60	0.1	137	0.1	119	-	3,856	0.9	5,491	0.8	6,945	0.7	-13.1	26.5
Chemicals	940	1.8	714	0.3	2,359	0.7	94,314	22.4	134,547	18.8	113,043	11.3	230.4	-16.0
Manufactured goods classified by materials	6,177	11.3	84,176	33.6	101,382	31.7	73,093	17.3	125,194	17.4	183,720	18.4	20.4	46.7
Machinery and transport equipment	1,446	2.6	9,555	3.8	14,185	4.4	69,783	16.5	171,720	24.0	310,195	31.1	48.5	80.6
Miscellaneous manufactured articles	1,954	3.6	59,197	23.6	97,239	30.4	10,241	2.4	10,457	1.5	17,221	1.7	64.3	64.7
Not classifiable	57	0.1	205	0.1	219	-	1,467	0.3	30	-	144	-	6.8	380.0
	54,815	100.0	250,334	100.0	320,229	100.0	421,782	100.0	716,441	100.0	996,246	100.0	27.9	39.0

Source: Bank of Korea, Economic Statistics Yearbook, 1968.

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