MEMORANDUM FOR THE PRESIDENT

Subject: Proposed Message on Authorization of Economic Assistance to the Republic of Korea.

Preparations have now been completed for the presentation to the Congress of legislation authorizing economic assistance to the Republic of Korea for fiscal year 1950 in the sum of $50,000,000, as approved by you. Arrangements have been made with Mr. Richards, Acting Chairman of the House Foreign Affairs Committee, to take up the Korean Bill Wednesday, June 8, at 10:00 am.

In view of the importance and urgency of the matter and the size of the sum involved, I recommend that you transmit to the Congress a message indicating your interest in early authorization of aid. A draft of such a message, briefly outlining the course of the development of our relations with Korea and of the need for the proposed program, is attached. This message has been prepared in the Department of State in consultation with the Economic Cooperation Administration and the Bureau of the Budget.

(Act) JAMES E. NERR

Enclosure

Draft Message to Congress
TO THE CONGRESS OF THE UNITED STATES:

That

I should like to recommend to the Congress his favorable action in authorizing the continuation of economic assistance to the Republic of Korea for the fiscal year 1950.

The United States is now granting relief and a small amount of assistance in rehabilitation to the Republic of Korea under Public Law 791, 80th Congress. The extension of that assistance is of great importance to the successful achievement of the foreign policy aims of the United States. The authority of the present Act extends only until June 30, 1949. For this reason legislation is urgently needed and I am hopeful that the Congress may give it early consideration.

The American people have long had sympathetic feelings for the Korean people. American missionaries, supported by American churches of all denominations, brought spiritual guidance, education and medical aid to the Korean people during their forty years of Japanese bondage. All Americans who have come to know the Korean people...
people appreciate, as only Americans can, their fierce passion for freedom and their keen desire to become a free and independent nation.

Early in the war with Japan, we resolved that Korea should be liberated. In the Cairo Declaration of December, 1943, the United States joined with the United Kingdom and China to express their determination that in due course Korea should become free and independent. This pledge was reaffirmed in the Potsdam Declaration of July 26, 1945, with which the Soviet Union associated itself upon its entrance into the war against Japan in the following month. With our victory over Japan I heralded the liberation of Korea. I praised the courage of the Korean people who during the long years of Japanese domination retained their proud cultural heritage and kept alive the spirit of liberty. I said then that the building of a great nation had begun. Unfortunately, however, despite the efforts of the Korean people, of the United States, and of the United Nations, Korea is not yet a unified country.

The present division of Korea along the 38th parallel was never intended by the United States. The sole purpose of the line along the 38th parallel was to facilitate acceptance by the Soviet
and U.S. forces of the surrender of Japanese troops north and south of that line. Therefore immediately after the completion of the Japanese surrender, the United States sought through its commander in Korea and by governmental action to restore the unity of the country.

These efforts have been rendered completely unavailing by the unwillingness of the Soviet Union to abide by its commitments and the terms and spirit of the international agreements to which it is a party. For this reason it became apparent that further delay would be injurious to the interests of the Korean people, the United States submitted the matter to the General Assembly of the United Nations, in the hope that it could assist the people of Korea to assume their rightful place as an independent, democratic nation.

By vote of an overwhelming majority, the General Assembly adopted a resolution on November 11, 1947 calling for an election under the observation of a UN Temporary Commission on Korea to choose a representative National Assembly which should be responsible for drafting a democratic constitution and establishing a national government. The Soviet Union refused to permit the UN Commission to enter its zone, and the right of the Korean people to express their
mandate in a free election was confined to South Korea. There emerged from this election the Government of the Republic of Korea which was inaugurated August 15, 1948.

The General Assembly of the United Nations at its next session considered the report of its Commission and in December 1948 adopted a resolution holding the Government of the Republic of Korea to be the validly elected, lawful government of the area in which elections were held under the Commission's observation—and the only such government in Korea. The General Assembly established a re-constituted Commission to consult with the occupying powers on the withdrawal of their forces and to continue to work for the unification of Korea under representative government.

The United States terminated its military government in Korea upon the inauguration of the Government of the Republic of Korea and recognized the new government on New Year's Day, 1949.

The December 1948 resolution of the General Assembly called on the occupying powers to withdraw their forces as soon as practicable. The United States has thus far retained a small number of troops in Korea at the request of the Government of the Republic to give the Republic an opportunity to establish forces adequate to
protest itself against internal disturbances and external attack
short of war supported by a major power. A military assistance
group requested by the Korean Government for training purposes will
be retained in Korea after the withdrawal of United States troops.

Unfortunately the debilitated state in which the Korean
economy was left by the Japanese has been accentuated by the
separation of the hydroelectric power, coal and metal and fertilizer
industries of the north from the agriculture and textile industries
of the south and by the effects of continuing communist antagonism.
The United States has furnished the people of South Korea with basic
relief during the period of military government. Despite such
assistance, however, the Republic is still far short of being able to
support itself at the present modest standard of living of its people.
It is in the most urgent need of further assistance in the difficult
period ahead until it can stand economically on its own feet.

The aid now granted Korea is essentially for basic relief. Without
the continuation of such relief, its economy will collapse—inevitably
and rapidly. Basic relief alone, however, will not make it possible
for the Republic to become self-supporting. It will leave it dependent
upon the continuation of US aid at a costly level into the indefinite
future or subject to the same inevitable collapse at any time. Aid should be withdrawn. For these reasons it is recommended by the Executive Branch that the aid granted should not be for mere relief but for recovery. The kind of program which is needed is the kind which the Congress has authorized for the countries of Western Europe and with which the Economic Cooperation Administration has had such notable success in bringing about the rapid progress toward recovery during the past year.

It is my further recommendation that full advantage be taken of the broad and successful experience by continuing responsibility for the administration of the Korean aid program in the Economic Cooperation Administration which has been administering aid to Korea since January 1 of this year.

The Department of State and the Economic Cooperation Administration have analyzed the vital needs of the Republic of Korea for economic assistance. They have reviewed the program which they have prepared and they are convinced that the sum of $130,000,000 is the minimum aid essential for progress toward economic recovery.

Such a program will cost only a relatively small amount more than the barest relief. Yet such a program—and only such a
Prior to January 1 of this year, aid to Korea was administered by the Army as a part of the program for government and relief in occupied areas. The Budget which I submitted to the Congress in January contemplated that economic and military assistance to Korea would be continued, except outside of the Army's program for government and relief in occupied areas.
[Text not legible]
program—will enable the Republic of Korea to commence building up the coal production, electric power capacity and fertilizer production which are fundamental to the establishment of a self-supporting economy and to the early termination of the need for aid from the United States.

The recovery program which is recommended is not only the soundest economically but also the most effective from the standpoint of achieving the objectives of American foreign policy regarding Korea.

The United States seeks for Korea the establishment, as soon as possible, of a united, self-governing and sovereign country, independent of foreign control and support and with membership in the United Nations. The United States has a deep interest in the continuing progress of the Korean people toward these objectives. Korea as a whole has become a testing ground in which the validity and practical value of the ideals and principles of democracy which the Republic is putting into practice are being matched against the practices of communism which have been imposed upon the people of North Korea.
The survival and progress of the Republic toward a self-supporting, stable economy will have an immense and far-reaching influence on the people of Asia. Such progress by the young Republic will encourage the people of southern and southeastern Asia and the islands of the Pacific, who still have their freedom, to resist and reject the communist propaganda with which they are besieged. I know I do not need to stress the vital importance of the choice which the hundreds of millions of people in these great strategic areas make between democracy and communism. Their progress, by demonstrating the success and tenacity of democracy in resisting communism, will stand as a beacon to the people of the continent of northern Asia in resisting the control of the communist forces which have over-run them.

The Republic of Korea, the freedom-seeking people of north Korea held under Soviet domination, the United States and the United Nations all seek the unity of the Korean nation. The most effective, practical aid which the United States can give toward reaching such unity will be to assist the Republic to move toward self-support at a decent standard of living. In the absence of such assistance, there can be no real hope of achieving Korean unity.
It should not be overlooked that the good offices of the United Nations played a decisive role in assisting the Koreans to bring about the free establishment of the Republic. The prestige of the UN and of the United States in the UN would suffer deeply should the Republic not survive.

Finally, the American people are by history and inclination sympathetic to any people seeking their freedom and independence. The pledges which the United States has made of attaining those goals are not yet wholly fulfilled.

The people of the Republic of Korea, long oppressed, look to the United States for help and guidance to achieve a sound, self-supporting economy and to achieve unity with their compatriots in north Korea. If we are mindful of our own interests and faithful to our ideals, we will not fail them.

THE WHITE HOUSE.