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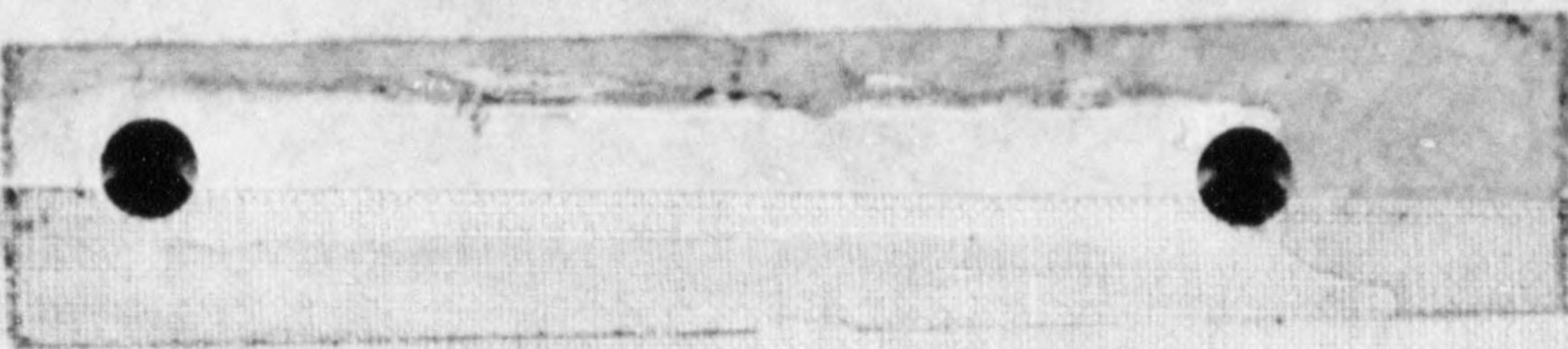
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STATE-WAR-NAVY COORDINATING COMMITTEE

SPECIAL AD HOC COMMITTEE

I. ANALYSIS OF THE CURRENT SITUATION IN KOREA

1. General Situation

a. Basic Forces.

As a result of commitments entered into during and after the war at Cairo, Potsdam and Moscow, the United States has assumed important responsibilities with respect to the eventual independence of Korea. Because the American and Soviet authorities in Korea have been unable to implement the Moscow decision to establish a provisional Korean government and subsequently a four-power trusteeship as provided for in the Moscow Agreement on Korea, the United States is still in occupation of south Korea and the USSR of Korea north of the 38^o parallel.

From the beginning of the occupation of Korea by the armed forces of the US and USSR, unrelated courses of action have been pursued in the governing of the separate areas of responsibility.

In the US area of responsibility military government has been operated from local to national levels by US military and civilian personnel as well as Koreans, and the latter are being given every opportunity to assume increasingly greater responsibilities in constructive political, economic and cultural programs. An interim legislative assembly for south Korea was convened December 12, 1946.

"Peoples Committees", organized in Korea in the closing days of the war, were the bases upon which the USSR forces built their government in north Korea. Persons antagonistic or neutral toward the USSR were purged. As the local committees acquired a satisfactory political complexion, Soviet army commanders turned over to the committees ostensible governing authority.

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Korea, as an integral part of the Japanese Empire, was set up to contribute to the Japanese war-making potential and was not organized as a self-sustaining economic unit. With the end of the war and the abolition of Japanese controls there was a complete collapse of all manufacturing effort. Few Koreans had the technical training to fill the vacancies created by the removal of the Japanese. Factories built to produce war supplies were not suited to a peacetime Korean economy. The limited stockpiles left by the Japanese at the end of years of war were quickly used up. Recovery from these blows has been severely handicapped by the separation of the country into two zones. The hydroelectric power, chemical and metal industries of north Korea are a necessary complement of the agriculture and textile industry of south Korea.

b. Soviet Objectives

The USSR regards all of Korea as a zone of vital strategic interest in which the USSR seeks to exercise predominant influence.

Soviet control of Korea, or a prolonged occupation of the northern portion, aside from providing her with several warmwater outlets to the Pacific, would place her in a position to apply enormous political pressure on Manchuria and, thus, on China. Similarly the political effect of unhampered communist control over all Korea would have serious political, economic and military implications in Japan and the Far East as a whole.

Soviet tactics in Southern Korea have been to use the vestiges of the Peoples Committees in that zone as focal points for infiltration and influence. Popular disappointment at failure to achieve immediate independence has been skillfully exploited.

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g. U.S. Objectives

US. objectives in Korea are:

(1) to establish a united self-governing Korea, independent of foreign control and eligible for membership in the United Nations;

(2) to insure that the national government so established shall be fully representative of the freely expressed will of the Korean people;

(3) to assist the Koreans in establishing the sound economy and adequate educational system necessary for an independent democratic state.

2. Ends to be Gained by U.S. Assistance: Effects of Failure to Give Aid.

The initiation of an aggressive, positive, long-term program will not only have a beneficial economic effect but will, in the political field, be equally effective. It will strengthen our position in any future negotiations with the Soviets, either bilateral or through the United Nations, since it will show that the United States has no intention of allowing Korea to fall into their hands by default. It will force the realization that they will either have to expend additional funds and effort of their own or acquiesce in fulfilling the Moscow Agreement. By demonstrating our real interest in the present welfare and future development of Korea as an effectively independent nation we may not only obtain the cooperation of the Korean people but also strengthen U.S. prestige among all peoples of the Far East. Such a program will also go far to assure the discouraged and volatile Korean people that the United States is doing and will continue to do its utmost to carry out its commitments to bring independence to Korea.

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Should the U.S. abandon its efforts with respect to Korea, the people of Korea, like other peoples of the Orient, after witnessing the U.S. commit itself to a certain course, and expend money and lives in partial fulfillment of it by engaging in a devastating war, may well doubt U.S. reliability.

3. Resumé of Economic Aid

a. Expenditures by the U.S. forces occupying south Korea since VJ Day through March 1947 to prevent "disease and unrest" have been \$76,933,900. It is not known what the USSR has expended in its zone of occupation. However, all reports indicate that there has been a Soviet economic penetration of North Korea comparable to that in Rumania or Hungary.

b. UNRRA expenditures have been \$500,000 in south Korea and a similar amount is understood to have been expended for north Korea. This is all the UNRRA aid for Korea now contemplated.

c. Private relief funds for Korea have been limited to date and it is not expected that supplies from this source will materially change the basic needs which must be supplied from outside the country.

d. During the latter part of 1946 U.S. Military Government in Korea received a twenty-five million dollar credit from OFLC. Difficulties in finding suitable goods and their transportation to Korea has limited the utilization of these funds. To date only approximately one-third of these funds have been committed.

4. Types of Aid Required.

Under the proposed grant in aid program for Korea to cover the fiscal years 1948-1949 and 1950 major expenditures are
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expected to be for food, agricultural supplies including fertilizer, industrial equipment, medical supplies, transportation equipment, rolling stock, etc., as well as educational materials. Other costs will be for the pay, supply and transportation of civilian employees. The program will include assistance in the development of a Korean police, constabulary and coast guard. Provision is also made for a vigorous information program.

The administration of the Grant-In-Aid Program will be entirely under the control of U.S. personnel.

5. Comparison of Disease and Unrest Program and Grant-In-Aid Program.

For the three-year period, it is estimated that the Grant-In-Aid Program, of \$540 million, would require an output of funds approximately \$106,000,000 greater than under a disease and unrest program. If the interests of the United States require that after 1950 further assistance be granted to Korea, the sum which would be needed to aid a Korean economy already rehabilitated by the Grant-In-Aid Program would be small by comparison with that which would be needed to prevent starvation in an economy allowed to disintegrate under a disease and unrest program.

The great advantage to the national interests of the United States of the Grant-In-Aid Program proposed here is that it will result in a strengthening of the Korean economic and political structure and of the position of the United States in relation to the USSR in Korea, greatly in excess of the relatively small additional cost.

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Mr. Schuler

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UNITED STATES POLICY IN KOREA

Report by Far Eastern Subcommittee of SANACC
In Collaboration with the Joint Strategic Survey
Committee

References: a. SWNCC 232/1
b. JCS 1483/44
c. SWNCC 176/30
d. SANACC 176/33

THE PROBLEM

1. To prepare, as a matter of urgency, and in the light of action taken by the United Nations and probable Soviet reaction to such United Nations action, policy recommendations of a political, military and economic nature involved in the establishment of a government in Korea, or in south Korea only should that become necessary, and the subsequent withdrawal of US occupation forces in either event.

FACTS BEARING ON THE PROBLEM

2. See Appendix "A".

DISCUSSION

3. See Appendix "B".

CONCLUSIONS

4. It is concluded that:

a. As a consequence of the passage by the United Nations General Assembly on November 14, 1947 of a resolution on Korea, and in connection with the implementation of that resolution by the Commission established thereunder, it may be anticipated that US policy in Korea will be confronted with one of the following alternatives:

(1) The Commission may be permitted to enter the northern as well as the southern zone of Korea and to carry out in both of those zones its assigned duties under the Resolution.

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In that event the US should collaborate with the Commission in the holding of elections in its zone of occupation and in the subsequent establishment of a National Government of Korea in accordance with the terms of the Resolution.

(2) On the basis of its announced opposition to the course of action embodied in the Resolution, the USSR may refuse to permit the Commission to implement the terms thereof in Soviet-occupied north Korea, as a consequence of which the Commission may decide to proceed with the holding of elections in south Korea only.

In such an event, the US should collaborate with the Commission in the conduct of such elections, and in the subsequent establishment on the basis thereof of such governing authority as may be deemed by the US and by the Commission to accord most closely with the objectives of the Resolution.

(3) If confronted with Soviet non-cooperation with respect to the implementation of the Resolution in north Korea and with the consequent impossibility of holding elections on a nation-wide basis as envisaged therein, the Commission may, on the other hand, decide that its terms of reference do not empower it to proceed with elections in south Korea only pending reconsideration of the Korean problem by the General Assembly or its Interim Committee.

In the event of such a decision, the US should inform the Commission that, pending reconsideration of the problem by the UN and without prejudice to any decisions which may result therefrom, it proposes to proceed with zonal elections in south Korea by March 31, 1948, or as soon thereafter as may be practicable, for the purpose of creating a provisional zonal government more fully representative than the present South Korean Interim Government. The US should thereupon proceed with the holding of elections in south Korea and with

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the subsequent formation, on the basis of the newly-elected Assembly, of a provisional government to which the functions of government presently exercised by the occupation and by the present South Korean Interim Government could be progressively transferred.

b. In the event of a unilateral withdrawal of Soviet occupation forces from north Korea, the US should proceed with its plans for the establishment of a government in south Korea as outlined in this paper. Should such withdrawal be deemed by the US to constitute a threat to the stability of Korea, the US should give appropriate notification to that effect to the competent body of the UN.

c. In the event of continued Soviet occupation of north Korea, the US should proceed with its plans for the establishment of a government in south Korea and the subsequent withdrawal of US forces as outlined in this paper.

d. In any event, the ultimate objective of US policy in Korea should remain the creation of a united and independent Korea under a sovereign and democratic government.

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e. Regardless of the circumstances under which it may be decided to hold elections in south Korea, a serious effort should be undertaken in preparation for such elections to bring to the people of south Korea through appropriate information and educational media an understanding of the democratic electoral process and of the significance of their participation therein. In order to encourage such participation on as wide and representative a basis as possible, decisive steps should be taken to curb the excesses of extremist terrorist groups and to insure the extension of effective and impartial police protection to persons and groups of all political shades wishing to participate in an orderly fashion in the elections and in the preceding electoral campaigns.

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f. US occupation forces should be withdrawn from south Korea in accordance with the schedule set forth in paragraph 12 of Appendix "B". Such withdrawal should be undertaken, however, with the full realization that it may be delayed at any time if it is deemed in the national interest to do so.

g. The withdrawal of US forces from south Korea under circumstances which would lead directly to Soviet domination of that area would result in serious damage to US prestige, and consequently to US interests, in the Far East and throughout the world. In order to minimize the possibility of such an eventuality, the US should endeavor, within the limits of available funds, personnel, and equipment, to establish in south Korea prior to the withdrawal of its forces therefrom a native armed security force capable of serving as a deterrent to the spread of Communist control from the north. To this end, immediate measures should be adopted, with the means available, to strengthen existing south Korean security forces, with respect to both men and equipment.

h. The strengthening of native armed security forces in south Korea is not deemed inconsistent with the spirit of the UN resolution on Korea or with the projected eventual establishment, as envisaged in paragraph 4 (a) of the Resolution, of Korean security forces on a national basis.

i. In the period remaining before the transfer of the functions of government to a Korean authority, it is in the interest of the US to establish in south Korea as strong an economy as time and funds permit in order to foster political and economic stability in that area and thus to retard any movement of south Korea into the Soviet sphere of influence. To this end, an economic aid program should be carried out, to the extent that time and funds are available, which will furnish

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minimum requirements of food, fertilizer, petroleum and other essential supplies, shore up the transportation and communications systems and strengthen the mining, fishery, electric power and textile industries. No expenditures should be made on long-range capital installations. No commitments should be made at this time concerning the extension of US economic aid after 31 December 1948. In view of the inadequacy of existing legislation, enabling legislation and appropriations requests necessary to carry out an economic aid program along the foregoing lines should be prepared for submission to the Congress at the earliest practicable date.

j. Efforts should be continued to stabilize the economy of south Korea with all available means. Price control, grain collection, rationing, export-import licensing and foreign exchange controls should be continued during the period of US responsibility. Consideration should be given to the implementation of plans for currency conversion, together with plans for concurrent supplementary stabilization measures, at the earliest practicable date.

k. Machinery necessary for the conduct of foreign trade under exclusive Korean control should be established. Consideration should be given to the establishment of a commercial rate of exchange at the earliest practicable date.

l. The present program for the disposition of small vested Japanese commercial enterprises and urban residences should be continued in such a manner as to be susceptible of eventual completion by a new Korean government. Public announcement should be made at an appropriate time that title to large vested industrial properties will be transferred to such government.

m. Implementation of a land reform program covering disposition of vested Japanese lands should be announced and initiated before the scheduled elections.

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n. As a further measure to retard the movement of South Korea into the Soviet sphere of influence in the period remaining before any transfer of governmental authority to the Koreans, efforts should be intensified within the times and means available to improve and accelerate the operation of the existing public information program, if necessary through the provision of additional trained personnel and a greater, more rapid flow of materials.

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n. Plans should be drawn up for US economic and military assistance to south Korea following US withdrawal, together with recommendations for the administration and control of such economic assistance. Such control should provide an effective guarantee against the diversion of US aid to any government or group unfriendly to the US.

o. A program for the training in south Korea of technical specialists needed for the rehabilitation of Korea should be carried out to the extent that time and funds are available.

p. Following the withdrawal of its occupation forces and the transfer of the functions of government to a Korean body, the US should plan to maintain in Korea an including a highly skilled, well-staffed information-cultural section, / appropriately enlarged diplomatic mission (together with a military mission if the circumstances so warrant) capable of liquidating occupation affairs and of providing a continuing vehicle for the effective representation of US interests in Korea.

q. US policy in Korea during the coming months must of necessity be a flexible policy, readily adaptable to any one of a number of possible sets of circumstances, the determining factor in most of which will be the attitude of Soviet Russia.

RECOMMENDATIONS

5. It is recommended that:

- a. The SANACC approve the above conclusions.
- b. After approval by the SANACC, the appropriate Conclusions be transmitted by the JCS to CINCPAC and COMGENUSAFIK for appropriate implementation.

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APPENDIX A

FACTS BEARING ON THE PROBLEM

1. SWNCC 176/30 states in its Conclusions, Para 4a, after outlining the effect on U.S. prestige of U.S. withdrawal under circumstances which would lead to Soviet domination of Korea, that:

"Every effort should be made, however, to liquidate or reduce the U.S. commitment of men and money in Korea as soon as possible without abandoning Korea to Soviet domination."

At a meeting in the Secretary of State's office on September 29, 1947, it was agreed that (a) ultimately the U.S. position in Korea is untenable even with expenditure of considerable U.S. money and effort; (b) the U.S., however, cannot "scuttle and run" from Korea without considerable loss of prestige and political standing in the Far East and the world at large; and (c) it should be the effort of the Government through all proper means to effect a settlement of the Korean problem which would enable the US to withdraw from Korea as soon as possible with the minimum of bad effects.

2. In accordance with the recommendations contained in SWNCC 176/30 the U.S. Government on September 17, 1947, presented the problem of Korean independence to the Second Session of the United Nations General Assembly. The General Assembly on November 14, passed by a vote of 43 to 0 with 6 abstentions a Resolution in substantial accord with that proposed originally by the United States. This Resolution provides for:

- a. elections by March 31, 1948 of representatives of the Korean people with whom a UN Commission on Korea may consult regarding the prompt attainment of the freedom and independence of the Korean people;
- b. formation of a National Assembly by the elected representatives;
- c. establishment by the National Assembly of a National Government and the constitution by that Government of its own security forces and the dissolving of other military or semi-military forces not included therein;
- d. the taking over by the National Korean Government of the functions of government from the

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present governments in south and north Korea, and then;

- e. withdrawal of all occupation forces from Korea within 90 days, if possible;
- f. the Commission to facilitate and expedite the fulfillment of the foregoing program for the attainment of the national independence of Korea, taking into account its observations and consultations in Korea;
- g. a report by the Commission, with its conclusions, to the General Assembly or to the interim committee with respect to the application of the resolution in the light of developments.

3. After the U.S. proposed that the problem of Korea's independence should be the subject of United Nations consideration, the Soviet Delegation to the Joint Commission in Korea, on September 26, 1947 proposed formation by the Koreans of their own government without the aid and assistance of the occupying powers under the condition of mutual withdrawal of occupying forces early in 1948. The Soviet Government made it clear during the debates in the General Assembly that it favored its own resolution which incorporated the substance of the Soviet Delegation's proposal in the Joint (US-USSR) Commission of September 26, 1947. It also gave a clear indication that it would not cooperate with the United Nations Commission on Korea. It is therefore probable that this Commission will not be permitted into north Korea. As evidence of the fact that the USSR may withdraw their troops unilaterally and without regard to the United Nations resolution, the CONGENUSAFIK reported on October 10, 1947 that "...it seems that the number of Soviet troops in north Korea have been reduced to two divisions which according to conservative estimates could easily be withdrawn within 30 days ... estimate of this situation is that the Soviets are getting ready for withdrawal of their own troops and are preparing and possibly are redeploying the north Korean army for its future role...." Further evidence of the possibility of early Soviet troop withdrawals was reported on November 10, 1947 with comment to the effect that "believe Soviets continue removing surplus and non-essential equipment to insure

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rapid withdrawal in event of either unilateral or U.S. acceptance of joint withdrawal proposal."

4. Political instability in south Korea creates constant difficulties for the U.S. Command. According to reports from Seoul, considerable pressure is being put on Military Government for the holding of early elections or at least the announcement of a definite date for an election. This agitation comes mostly from the extreme right elements who are reported to feel that early and unsupervised elections would be to their advantage. According to the latest information available the situation in south Korea is complicated by the machinations of Communist groups as well as the terrorist activities of extreme rightists. There is a definite tendency in the U.S. Zone for political elements to polarize into two extreme groups of the right and left, a circumstance which militates against the success of any attempt to establish in south Korea a government free from the domination of such extremes. Minister Jacobs has reported (Despatch number 39, August 7, 1947 to the Department of State from the Political Adviser, Seoul, Korea) that:

"...I am led to believe that the leftists have probably already made some approaches to them (Kim Koo and Syngman Rhee) for a compromise arrangement which has as its purpose the apparent 'burying of the hatchet' between the two groups until a unified provisional government consisting of both groups has been established and the American and Russian troops have left the country. After that, the Communist group will maneuver to obtain the most strategic positions in the government and at an appropriate time seize the reins of government as they have done in the Balkans and some European states and establish a Communist-satellite state.

"I should not be at all surprised to see the leftists even go so far as to offer the presidency of this temporary provisional state to Dr. Rhee in order to win him and his group over to such a compromise. He is a vain man, loves flattery, and would sell his soul to be the Chief of State of a United Korea or even over South Korea if there is no United Korea."

The center or moderate element is unorganized and its leaders, for various reasons, have not come forward. Two related factors

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tending to discourage moderate leaders from asserting themselves are the activities of organized and fanatical youth groups and other direct-actionist elements representing the extreme right, and the inability or unwillingness of the South Korean police, a diminishing but not insignificant percentage of whom are survivors from the Japanese occupation, to provide effective police protection against such activities to persons representing opposing political elements. Rightist leaders, identified in many respects with police officials and Koreans favored under the Japanese administration, have thereby obtained a strong and practical advantage over leaders holding moderate views. Fear of Soviet reprisals also restrains many Koreans from any political action which might be construed as collaboration with the U.S. The result is that while the Soviets in north Korea have a well-knit and firmly disciplined political group which is supporting them and which they in turn support, US authorities have no such group and are in the position of trying to hold a balance between several contending factions.

5. A factor which permeates both political and economic fields is the social situation created by the great influx of new population. ^{more than} ALMOST two million Koreans have come into the southern part of Korea since the occupation. A considerable number of those returning from Japan and other non-Communist areas, when confronted with existing conditions of poverty in south Korea, have tended to drift into the camp of the extreme left. Koreans coming from north Korea and Manchuria (over 800,000) who have experienced the realities of life under the Soviets have, on the other hand, tended to ally themselves with the extreme right. This has accentuated the trend mentioned above for Koreans to group themselves into two extremes, thereby making more difficult the task of U.S. Military Government. Another factor of importance in planning for political and economic rehabilitation is the traditional Korean outlook on life, with its Confucian overtones and exaggerated emphasis on the scholarly instead of the practical side of life. This has made it difficult to secure

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whole-hearted Korean cooperation in such matters as vocational, technical, and administrative training so badly needed if Koreans are to replace the Japanese in commerce, industry, and public administration.

6. The problem of the maintenance of public order in south Korea is complicated by the above-mentioned polarization of political elements into right and left extremes and by the additional fact that, as indicated above, the extreme right is in a position to utilize the police power as a political weapon. On the one hand there is reported to be increasing activity on the part of armed rightist terrorist bands, operating with the negative if not the positive assistance of the south Korean police, while on the other hand the threat is deemed to be ever present of large-scale Communist-inspired public disturbances.

7. In December 1945, SWNCC 232/1 concluded that, although Korean police forces could be established and supplied with U.S. equipment, a decision regarding the establishment of Korean armed forces would be deferred at that time.

8. U.S. occupation forces number approximately 36,000 men at present. In addition, there are in south Korea a U.S. trained and equipped Korean constabulary with a strength of approximately 17,000, a South Korean Coast Guard about 3,000 strong, and a South Korean Civil Police numbering slightly in excess of 25,000.

9. In north Korea, there are approximately 45,000 Soviet occupation troops, together with a "North Korean Peoples Army" which totals at least 125,000 men trained and equipped by the Soviets. It is reliably reported that there is close liaison between these indigenous Korean forces and the Chinese Communists in neighboring Manchuria.

10. The present strength of U.S. troops is reported to be adequate to cope with any ordinary troubles or disorders. The situation which would exist in the event of U.S. withdrawal without first establishing a South Korean armed force might well result in Communist domination

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of the whole country at an early date. In this connection General Hodge has reported that he believes it possible to train and equip a South Korean armed force within one year if equipment could be made available at an early date, together with additional personnel for training purposes. (See Appendix B to SANACC 176/33) General Hodge says further that were U.S. armed forces in Korea to be inactivated upon withdrawal and their equipment made available to a Korean army, 100,000 Koreans could be basically equipped within 30 days after withdrawal. (Appendix B, SANACC 176/33). General MacArthur, however, in transmitting the proposed detailed plan, states that it would not be practicable to establish the proposed force within the assumed one year period, and that in view of existing manpower shortages no program other than some augmentation of the present constabulary would be feasible. A transfer of equipment beyond surpluses ^{as well as continued maintenance} would require Congressional authorization; such equipment, moreover, cannot be purchased from GARIOA funds.

11. JCS 1483/44 concludes that, strictly from the standpoint of its military security, the United States has little strategic interest in maintaining its present troops and bases in Korea.

12. South Korea is basically an agricultural area and does not have the overall economic resources to sustain its economy without external assistance. Under the Japanese regime rice was largely exported and the Koreans forced to subsist on less expensive cereals obtained from Manchuria. The soil is depleted as a result of neglect during the war years and imports of both food and fertilizer are required. The latter normally came from north Korea as did most of south Korea's electric power, timber and coal. At the present time, electric power is the only commodity which south Korea is obtaining from the Soviet zone. This is being paid for by shipment of goods but may be cut off at any time by the Soviets. Division of the country at the 38th parallel has acted as a barrier to trade between north and south Korea and has reduced the Korean economy

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economy to the lowest level in recent years. South Korea has an estimated annual trade deficit of US \$100,000,000 and there is scant prospect of ^{balancing trade} overcoming this without unification of the country. Imports from the United States have been directed primarily to preventing widespread disease and unrest which might jeopardize the security of the occupation. There have not been sufficient imports of rehabilitation items to enable south Korea's industry to function at more than 20% of capacity. Even this level cannot be maintained in the future without increasing the import of raw materials and replacement parts. Such rehabilitation as has taken place has been for the most part in the field of agriculture. In spite of this and of an aggressive program of grain collection, price controls and rationing, indigenous food production has not kept pace with the large increase in population noted in paragraph 5 above.

13. The U.S. Command is progressing slowly with a program for disposing of vested small Japanese commercial enterprises and urban residences. In accordance with a directive to the theater the disposal of vested large Japanese industrial properties is not being undertaken at present. Authorization has been given for the initiation of a program for the sale of vested agricultural lands and there is now before the Interim Legislature a bill calling for the disposition of former Japanese farm lands now being operated by USAMGIK through the New Korea Company. These lands consist of approximately 500,000 acres of paddy fields and 150,000 acres of dry fields, or approximately 15% ^{20% usable} of the usable land in south Korea. No action is being taken to sell to tenants land belonging to large Korean landholders because of possible political repercussions.

14. Although south Korea was opened to limited private trade on June 15, 1947, the volume of trade has been small because of inadequate supplies of exportable products. A Korean Foreign Exchange Bank has been established to provide facilities for private traders.

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15. A program for training Korean technicians in south Korea has been inaugurated but little progress has been made. Although funds were appropriated for this purpose in the Korean budget they have not been expended.

16. The Department of the Army has allocated to USANGIK the sum of \$93,000,000 from funds appropriated by Congress for fiscal year 1948. In addition the Army is submitting a request for a deficiency appropriation of \$27,000,000. For fiscal year 1949 present estimates call for \$203,000,000 of which \$75,000,000 is for a 15 month rehabilitation program beginning April 1, 1948. Therefore, for the period ending June 30, 1949, ^{the} maximum amount of funds available for use in south Korea will be \$323,000,000.

17. There are now approximately 3,200 American civilian and military personnel engaged in Civil Affairs Military Government activities in south Korea. It has been difficult to obtain the services of a sufficient number of American technicians and officials trained in government and economics for duty in Korea.

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1. The fact that a United Nations' Resolution has been passed calling for elections by March 31, 1948, for the formation of a National Korean Assembly and Government, and for the subsequent withdrawal of all occupation forces within 90 days, if possible, makes it clear that the United States must be prepared to take early decisive action in Korea. It was evident during the debates on the Korean problem in the General Assembly that most of the delegates present fully expected that it would be possible for a Korean government to be established and all foreign troops withdrawn within a period of twelve months. The U.S. Government will be subject to considerable criticism at the 1948 session of the General Assembly if it has not made every effort to carry out the letter and spirit of the U.N. Resolution.

2. Although the Soviet bloc in the General Assembly announced their intention to boycott the Commission on Korea set up under the terms of the Resolution, the other delegates did not allow this to alter their determination to vote in favor of the United States proposal. Therefore, even if the Soviet Government refuses permission for the Commission to enter north Korea the U.S. should welcome the Commission to south Korea. The presence of the Commission in south Korea may be of advantage to the U.S. by creating UN interest in Korea and by playing a constructive part in the eventual unification of the country.

3. While there would appear to be little reason to suppose that the USSR will abandon its avowed intention to boycott the work of the Commission, the possibility cannot be excluded that the Russians, after having adopted sufficient safeguards to ensure an electoral result favorable to their cause despite ostensible UN supervision, might agree to the holding of elections in north Korea. The

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purpose of such elections might well be to elect an overwhelmingly pro-Soviet group of representatives from that area who, in cooperation with the leftist minority which could be expected to be elected in south Korea, could dominate or at least effectively influence the eventual creation of the National Government of Korea which it is the aim of that Resolution to produce. Such a stratagem, if successful, would have the advantage for the Russians of opening the way to ultimate Communist control of the Korean Government while at the same time lending plausibility to the claim that such control was obtained in accordance with the freely-expressed will of the Korean people.

The possibility of such an eventuality would be obviated by a refusal on the part of the UN Commission to recognize any election in north Korea not held under conditions which would effectively ensure a truly free and unfettered expression of the will of the people in that area.

4. Consideration should be given also to the question of what course of action should be followed in the event the UN Commission, on the basis of its own observations in south Korea and in the light of its expected inability to carry out the terms of the UN Resolution in north Korea, should decide that its responsibilities under that Resolution could not effectively be discharged under existing conditions and that the full implementation thereof should therefore be deferred subject to reconsideration by the General Assembly or its interim committee. Such a decision on the part of the Commission would in all probability envisage, if not specifically recommend, the continued occupation of south Korea by the US pending further UN action with respect to Korea.

In the event of such a decision, the US should inform the Commission that, pending reconsideration of the problem by the UN
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and without prejudice to any decisions which may result therefrom, it proposes to proceed with zonal elections in south Korea by March 31, 1948, for the purpose of creating a provisional zonal government more fully representative than the present South Korean Interim Government, one-half of the members of whose Legislative Assembly are still appointees of the occupying authorities. It should be pointed out to the Commission in this connection that it is the US view that the further postponement of elections would serve only to strengthen the hand of undemocratic elements in south Korea and to make more difficult of realization the eventual creation of a free and democratic Korea.

5. Regardless of the timing of elections in south Korea and of whether they are held with or without UN participation, certain prior steps should be taken in the brief time available before such elections to encourage the participation of moderate political elements and to encourage also the creation of conditions in which such participation can be effective. In this connection a sincere effort should be made, through appropriate ^{information} propaganda and educational media, to bring to the people of south Korea an understanding of the significance of the democratic electoral process and, more specifically, of the election immediately at hand; Decisive steps should be taken to curb the excesses of extremist terrorist groups and to ensure the extension of effective and impartial police protection to persons and groups of all political shades wishing to participate in an orderly fashion in the elections and in the preceding electoral campaigns. Without the assurance of such ^{information} protection, no campaign of propaganda and education could be expected to produce the desired results.

A further field of pre-election groundwork, that of land reform, is treated separately in paragraph 14 of Appendix B.

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6. While unilateral troop withdrawal by the USSR, should this occur, may create some pressure for similar action by the U.S. in this country and elsewhere, such action by the USSR probably would have more immediate and important effects in Korea. It can be anticipated that the Soviet propaganda machine would take every advantage of withdrawal to direct criticism at the United States. The fact, however, that the United States has taken the initiative in proposing a definite program looking toward the establishment of a government in Korea and the withdrawal of troops therefrom has already shown itself an effective counter to Soviet indications that they would withdraw. It is not believed that the actual withdrawal of Soviet troops would create immediate pressure in the United States or in world opinion for the United States to take similar action without first attempting to comply with the terms of the United Nations' Resolution. This is felt to be particularly true in view of the fact that the USSR has demonstrated under similar circumstances in other countries that troop withdrawal is not always accompanied by the relaxing of Soviet control. In Korea the effect of Soviet withdrawal would probably be considerable initial confusion. Until Koreans grasped the fact that tight Soviet control over north Korea had not been relaxed through troop withdrawals, Koreans in the south and particularly those mouthing Communist-inspired dogma would clamor for simultaneous United States troop withdrawal.

7. While it is not believed likely, the possibility exists and cannot be ignored that the presence of the "North Korean People's Army" might lead to military strife shortly after unilateral withdrawal of Soviet troops. This possibility would probably be minimized if the U.S. were at once to call publicly to the attention of the United Nations Commission the situation created by Soviet withdrawal. Such a statement should make clear that in view of the Soviet action, the U.S. Government would undertake the establishment through the measures outlined in the United Nations' Resolution on Korea, of an interim south Korean government which might then

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negotiate with the north Korean government for unification of the country. The statement should also announce that the U.S. authorities in Korea would assist the ^{newly established} South Korean Interim Government to constitute its own security force and that U.S. troops would be withdrawn within 90 days after the establishment of the ^{that} South Korean Interim Government. The United Nations Commission should be informed that U.S. troops would remain in Korea only if the United Nations, through action by its Interim Committee or otherwise, should so recommend. The U.S. statement might also express the hope that it would be possible for the United Nations Commission to remain in Korea after the withdrawal of U.S. troops with a view to facilitating efforts of the north and south Korean governments to achieve unification.

8. In the event that the USSR should reverse its current position and decide to cooperate in carrying out the terms of the United Nations' Resolution on Korea, any action taken in ^{increasing the} ~~constituting a~~ ^{capabilities of a} native south Korean armed security force would not have been wasted.

The terms of the Resolution provide that the "(Korean) government should in consultation with the commission, constitute its own national security forces and dissolve all military or semi-military formations not included therein." It is thus conceivable that the activation of a national army might be based on a native south Korean armed security force as a nucleus. The Commission might possibly request the occupying powers to organize, train and integrate such forces into a national army. In this regard, forces trained by the U.S. would then be in a position more nearly comparable to those trained by the USSR. Without such a force in south Korea, the chances of any portion of Korea remaining free from Soviet control would be negligible.

9. It is believed that should the U.S. withdraw from South Korea without having first ^{strengthened &} ~~ensured the establishment of a native~~ ^{increased the military capabilities of} south

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south Korean armed security force as a deterrent to the spread of Communism from the North, the political effect on all Far Eastern peoples would be harmful to the future position of the U.S. in the Far East. The unimpaired extension of Soviet control over all of Korea would greatly enhance the position of the Soviets, politically and militarily, with respect to China. Likewise, the unhampered spread of Soviet control would have unfavorable military, as well as political, repercussions in Japan. There might result a growing unrest among the Japanese people because of their uncertainty regarding future U.S. policy in the Far East and their fears of unhampered and expanding Soviet influence. This factor, particularly in connection with the return from Siberia of Communist-indoctrinated Japanese prisoners, might result in an increase in our manpower requirements in Japan. General Hodge has reported that in his opinion such a move would probably cause a shift in local middle-of-the-road organizations to the USSR as the great power in the Far East. He has reported further that comment is already current in Korea to the effect that the USSR is stronger than the U.S.

10. In the light of the present severe manpower shortage, U.S. armed forces in Korea could well be used in Japan and in the General Reserve. Hence, it is highly desirable that U.S. forces be withdrawn from Korea at the earliest possible time, provided that the political arrangements precedent to such withdrawal include all possible safeguards to prevent Soviet influence from sweeping over all Korea as a direct result of U.S. withdrawal. These safeguards should be designed to bolster ~~up~~ south Korea's military and economic potential through every available means, for the purpose of discouraging possible Soviet-inspired aggression from north Korea and frustrating Soviet-inspired subversive activity. The creation of

The creation of an integrated and U.S.-equipped south Korean army prior to withdrawal would require the immediate enactment of enabling legislation and appropriations by the Congress. It would, moreover, mean a substantial increase in USAFIK troop requirements

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ever projected manning levels, an increase which, in the light of current Army manpower shortages the world over, could be effected only by a significant reduction of strength elsewhere.

The above factors would not, however, preclude the taking of immediate steps by USAFIK to augment with all means available, including the issue of surplus US equipment, existing native south Korean security forces.

11. The training and equipping of native south Korean armed security forces will tend to create a moral obligation to maintain the equipment initially provided. As the Surplus Property Act is considered inadequate as a legislative vehicle for the continued support and maintenance of U.S.-equipped forces in Korea, special legislation would have to be ^{enacted} passed by the Congress to make possible the provision of equipment beyond surpluses as well as the maintenance of equipment made available to U.S.-equipped Korean forces. This could be accomplished either by incorporating a provision covering south Korea in a general bill for military assistance to foreign nations or by a specific act providing for U.S. military assistance to south Korea after troop withdrawal. Such legislation should be timed with the extension of post-withdrawal economic assistance, since military aid in itself will not guarantee the future stability of south Korea.

12. Should the terms of the United Nations' Resolution be carried out in the manner anticipated it would result in a time table substantially as follows:

- a. Election March 31, 1948;
- b. Convening of National Assembly, May 15, 1948;
- c. Formation of National Government, July 1, 1948;-
September 30, 1948;
- d. Withdrawal of Occupation Forces, October 1, 1948 -
December 31, 1948.

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13. Upon the withdrawal of troops and the transfer of functions of government to a Korean body, an appropriately enlarged U.S. diplomatic-military mission should remain which would be able to take over the administration and wind up the affairs of such U.S. interests as then remain. The scope of such a Mission would depend in large measure upon the extent to which the US remains involved in Korea, financially and otherwise, following the withdrawal.

14. In the period remaining before the transfer of the functions of government to a Korean authority, it is in the interest of the US to establish in south Korea as strong an economy as time and funds permit in order to foster political and economic stability in that area and thus to retard any movement of south Korea into the Soviet sphere of influence. To this end current economic programs should be continued.

A positive program of economic aid and economic and social reform, with special emphasis on economic stabilization, the encouragement of foreign trade, the disposition of vested Japanese property, and land reform, is an essential counterpart of the political and military measures which are envisaged. Legislative action prior to the elections covering the disposition of vested Japanese farm lands to Korean tenants should, in particular, contribute to the strengthening of moderate political elements in south Korea. Such action would, moreover, help to eliminate a fruitful source of propaganda for the Soviets and to remove a possible cause of criticism of the occupation by the UN Commission.

15. Although no commitments should be made for the extension of US economic assistance beyond the period of US occupation, it must be recognized that without such assistance, and in the absence of unification, the political and economic stability of south Korea could not long continue. It will, therefore, be essential that studies be made on a yearly basis for several years following FY 1949 of the most essential economic projects for that area and

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the ways and means of implementing them, bearing in mind the possibility that south Korea following the eventual termination of such aid may be drawn into the orbit of Soviet influence.

A decision to continue US economic assistance to south Korea beyond FY 1949 would raise the question of how such assistance should be administered and controlled; that is, whether funds allotted for that purpose should be turned over freely to the south Korean government to be expended without outside supervision, or whether, on the other hand, the utilization of such funds should be subjected to outside supervision or control, either by the US directly, through a special aid mission, or through its regularly accredited diplomatic representation, or by the UN, perhaps through the mechanism of the ECAFE. In determining the degree and type of control to be exercised over possible US assistance to south Korea, the essential requirement to be borne in mind is that it provide an effective guarantee against the diversion of such assistance to any government or group unfriendly to the US.

16. It has been difficult to obtain the services of adequate numbers of American technical specialists in the fields of engineering, industry, and public administration for duty in south Korea. It is felt that the only practical solution of this problem is to hire personnel on a short-term basis, perhaps on detail from Washington agencies or from SCAP. [It is believed desirable to retain in south Korea after US withdrawal as small a staff of US officials as practicable.]

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MEMORANDUM TO THE SECRETARY JCS.

SUBJECT: Future U. S. Policy in Korea.

1. The SANACC has considered the problem of future U. S. policy in Korea and recommends that a message along the following lines be dispatched to CINCPAC and COMUSMACV:

"The following conclusions on the future U. S. course of action in Korea have been approved by the SANACC.

a. As a consequence of the passage by the United Nations General Assembly on November 14, 1947 of a resolution on Korea, and in connection with the implementation of that resolution by the Commission established thereunder, it may be anticipated that US policy in Korea will be confronted with one of the following alternatives:

(1) The Commission may be permitted to enter the northern as well as the southern zone of Korea and to carry out in both of those zones its assigned duties under the Resolution.

In that event the US should collaborate with the Commission in the holding of elections in its zone of occupation and in the subsequent establishment of a National Government of Korea in accordance with the terms of the Resolution.

(2) On the basis of its announced opposition to the course of action embodied in the Resolution, the USSR may refuse to permit the Commission to implement the terms thereof in Soviet-occupied north Korea, as a consequence of which the Commission may decide to proceed with the holding of elections in south Korea only.

In such an event, the U.S. should collaborate with the Commission in the conduct of such elections, and in the subsequent establishment on the basis thereof of such governing authority as may be deemed by the US and by the Commission to accord most closely with the objectives of the Resolution.

(3) If confronted with Soviet non-cooperation with respect to the implementation of the Resolution in north Korea and with the consequent impossibility of holding elections on a nation-

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wide basis as envisaged therein, the Commission may, on the other hand, decide that its terms of reference do not empower it to proceed with elections in south Korea only pending reconsideration of the Korean problem by the General Assembly or its Interim Committee.

In the event of such a decision, the US should inform the Commission that, pending reconsideration of the problem by the UN and without prejudice to any decisions which may result therefrom, it proposes to proceed with zonal elections in south Korea by March 31, 1948, or as soon thereafter as may be practicable, for the purpose of creating a provisional zonal government more fully representative than the present South Korean Interim Government. The US should thereupon proceed with the holding of elections in south Korea and with the subsequent formation, on the basis of the newly-elected Assembly, of a provisional government to which the functions of government presently exercised by the occupation and by the present South Korean Interim Government could be progressively transferred.

b. In the event of a unilateral withdrawal of Soviet occupation forces from north Korea, the US should proceed with its plans for the establishment of a government in south Korea as outlined in this paper. Should such withdrawal be deemed by the US to constitute a threat to the stability of Korea, the US should give appropriate notification to that effect to the competent body of the UN.

c. In the event of continued Soviet occupation of north Korea, the US should proceed with its plans for the establishment of a government in south Korea and the subsequent withdrawal of US forces as outlined in this paper.

d. In any event, the ultimate objective of US policy in Korea should remain the creation of a united and independent Korea under a sovereign and democratic government.

e. Regardless of the circumstances under which it may be decided to hold elections in south Korea, a serious effort should be undertaken in preparation for such elections to bring to the people of south Korea through appropriate information and educational media an understanding of the democratic

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electoral process and of the significance of their participation therein. In order to encourage such participation on as wide and representative a basis as possible, decisive steps should be taken to curb the excesses of extremist terrorist groups and to insure the extension of effective and impartial police protection to persons and groups of all political shades wishing to participate in an orderly fashion in the elections and in the preceding electoral campaigns.

f. US occupation forces should be withdrawn from south Korea in accordance with the schedule set forth in paragraph 12 of Appendix "B". Such withdrawal should be undertaken, however, with the full realization that it may be delayed at any time if it is deemed in the national interest to do so.

g. The withdrawal of US forces from south Korea under circumstances which would lead directly to Soviet domination of that area would result in serious damage to US prestige, and consequently to US interests, in the Far East and throughout the world. In order to minimize the possibility of such an eventuality, the US should endeavor, within the limits of available funds, personnel, and equipment, to increase the military capabilities of existing native South Korean Security Forces capable of serving as a possible deterrent to the spread of Communist control from the north. To this end, immediate measures should be adopted, with the means available, to strengthen existing south Korean security forces, with respect to both men and equipment.

h. Increasing the military capabilities of native armed security forces in south Korea is not deemed inconsistent with the spirit of the UN resolution on Korea or with the projected eventual establishment, as envisaged in paragraph 4 (a) of the Resolution, of Korean security forces on a national basis.

i. In the period remaining before the transfer of the functions of government to a Korean authority, it is in the interest of the US to establish in south Korea as strong an economy as time and funds permit in order to foster political and economic stability in that area and thus to retard any movement of south Korea into the Soviet sphere of influence. To this end, an economic aid program should be carried out, to the extent that time and funds are available,

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which will furnish minimum requirements of food, fertilizer, petroleum and other essential supplies, shore up the transportation and communications systems and strengthen the mining, fishery, electric power and textile industries. No expenditures should be made on long-range capital installations. No commitments should be made at this time concerning the extension of US economic aid after 31 December 1948. In view of the inadequacy of existing legislation, enabling legislation and appropriations requests necessary to carry out an economic aid program along the foregoing lines should be prepared for submission to the Congress at the earliest practicable date.

j. Efforts should be continued to stabilize the economy of south Korea with all available means. Price control, grain collection, rationing, export-import licensing and foreign exchange controls should be continued during the period of US responsibility. Consideration should be given to the implementation of plans for currency conversion, together with plans for concurrent supplementary stabilization measures, at the earliest practicable date.

k. Machinery necessary for the conduct of foreign trade under exclusive Korean control should be established. Consideration should be given to the establishment of a commercial rate of exchange at the earliest practicable date.

l. The present program for the disposition of small vested Japanese commercial enterprises and urban residences should be continued in such a manner as to be susceptible of eventual completion by a new Korean government. Public announcement should be made at an appropriate time that title to large vested industrial properties will be transferred to such government.

m. Implementation of a land reform program covering disposition of vested Japanese lands should be announced and initiated before the scheduled elections.

n. Plans should be drawn up for US economic and military assistance to south Korea following US withdrawal, together with recommendations for the administration and control of such economic assistance. Such control should provide an effective guarantee against the diversion of US aid to

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any government or group unfriendly to the US.

g. A program for the training in south Korea of technical specialists needed for the rehabilitation of Korea should be carried out to the extent that time and funds are available.

p. Following the withdrawal of its occupation forces and the transfer of the functions of government to a Korean body, the US should plan to maintain in Korea an appropriately enlarged diplomatic mission (together with a military mission if the circumstances so warrant) capable of liquidating occupation affairs and of providing a continuing vehicle for the effective representation of US interests in Korea.

q. US policy in Korea during the coming months must of necessity be a flexible policy, readily adaptable to any one of a number of possible sets of circumstances, the determining factor in most of which will be the attitude of Soviet Russia."

2. It is requested that the following implementing action be undertaken:

a. Effect closest coordination with the UN Commission upon its arrival in regard to elections. Every effort should be made to hold ~~UN~~ elections under UN auspices but in case the Commission decides otherwise, proceed with elections and the formation of government ^{in keeping with} ~~according to~~ the terms of the resolution.

^{modified} b. Continue with economic programs currently in effect but as ^{supplemented} hereafter. In case of conflict with any previous directive the following will govern:

(1) To the extent that time and funds are available, minimum requirements of food, fertilizer and petroleum will be provided the Korean economy. Necessary steps will be taken to shore up the transportation and communications systems and strengthen the mining, fishing, electric power and textile industries. No expenditures will be made on long-range capital installations. No commitments will be made concerning the extension of US economic aid after 31 December, 1948.

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(2) Efforts will be continued to stabilize the economy of South Korea with all available means including price control, grain collection, rationing, export-import licensing and foreign exchange controls. Implementation of plans for currency conversion, together with concurrent supplementary stabilization measures, will be effected at the earliest practicable date.

(3) Machinery necessary for the conduct of foreign trade under exclusive Korean control will be established. The establishment of a commercial rate of exchange is desired at the earliest practicable date.

(4) The present program for the disposition of small vested Japanese commercial enterprises and urban residences will be continued in such a manner as to be capable of eventual completion by a new Korean government. Public announcement will be made in Korea at a time to be determined by you that title to large vested industrial properties will be transferred to the new government.

(5) Implementation of a land reform program covering disposition of vested Japanese lands will be announced and initiated before the scheduled elections.

g. Although it is not deemed feasible to undertake the establishment of South Korean Armed Forces as referred to in CX-57200, you will increase the military capabilities of existing native South Korean Security Forces, including the issue of available US equipment and supplies, with the ultimate aim of providing a nucleus of a deterrent to native North Korean Armed Forces. This action is deemed to be within the spirit of the UN resolution on Korea.

d. You will plan to effect withdrawal subsequent to formation of Korean government. Target date for initiation is 1 October 48 with completion by 31 December 48 if possible. The withdrawal will be made with the full realization that it may be interrupted at any time if it is deemed in the national interest to do so.

g. Your plans are requested for U.S. economic and military aid to South Korea following withdrawal together with recommendation for the administration

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and control of such military and economic assistance. Such control should provide an effective guarantee against any diversion of US aid to any government or group unfriendly to the US.

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SECRETS E C R E TPR-24 Preliminary
30 July 1945STATE-WAR-NAVY COORDINATING COMMITTEEPOLITICO-MILITARY PROBLEMS IN THE FAR EAST:THE POST SURRENDER MILITARY GOVERNMENT OF THE JAPANESE
EMPIRE:THE EDUCATIONAL SYSTEMTHE SUBJECT

"The Post-Surrender Military Government
of the Japanese Empire: Measures to
Abolish Militarism and Strengthen
Democratic Processes: The Educational
System"

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THE POST-SURRENDER MILITARY GOVERNMENT OF THE
JAPANESE EMPIRE: MEASURES TO ABOLISH MILITARISM AND
STRENGTHEN DEMOCRATIC PROCESSES: THE EDUCATIONAL SYSTEM

1. THE EDUCATIONAL SYSTEM OF JAPAN

a. General Description

The educational system in Japan is a closely-knit Government controlled organization highly integrated into the agrarian and industrial life of the nation. It has been one of the most important instruments in molding the minds of the people to accept authoritarian controls with unquestioning obedience. It has fostered the concept of absolute loyalty and of Japan's militaristic and nationalistic destiny. Its ultimate purpose is to inculcate a spirit of willingness and desire to serve the state as an end in itself. The administrative channels and controls whereby the system is maintained have been organized and centralized to support Japan's particular form of oligarchic government which in recent years has been under the domination of the military cliques.

The elementary school course of six years is compulsory, tuition free, and is intended to produce a universally homogeneous population sufficiently literate to comprehend the dictates of government and to meet the needs of obedient and well disciplined manpower for national service. Instruction is carefully detailed and supervised and although practically every child learns to read and write simple Japanese the standards are relatively low and the subject matter restricted. Thus, while the literacy rate is high (over 96%), education in the wider sense remains generally limited and rudimentary.

Government has been aware of this condition and without altering the fundamentally nationalistic character of the curricula has sought to improve the situation by lengthening the period of compulsory attendance to eight years, a program which was interrupted by the war.

At the secondary school level there is a deliberate policy of limited attendance to accord with an altered purpose in education at that level. The majority of the minor civil servants and technicians is selected from the middle and vocational school graduates. Government has

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provided facilities for only 10% of the elementary school graduates to continue their education. Entrance is based on competitive examinations. This policy of competitive selection places a high premium on conformity both on the part of the students and the schools and simplifies the problem of control which Government must maintain in order to achieve its aims.

An equal disparity in admittance exists between secondary schools and institutions of higher learning. Fewer opportunities and keener competition result in somewhat less than 10% of the middle school graduates entering these institutions. The graduate of the college or university has survived an extremely difficult discipline. By such rigid selection beyond the elementary level only a few are trained sufficiently to attain national leadership. Despite the admitted shortage of schools beyond the elementary level Government has not developed these schools to a degree commensurate with the public demand or its ability to provide them.

The system is essentially equalitarian in principle since except for the payment of fees it permits rich and poor alike to attain the highest offices in the Empire through their own merit, but its structure is authoritarian not liberal or democratic. Individualism is restricted to prescribed limits which are in conformity with Government purposes and dictates.

In the institutions of higher learning thought control is maintained by the Kempeitai or secret police whose duty is to purge students and teachers alike of all mental misguidance and to remove those who harbor "dangerous thoughts" contrary to the purposes of Government or suspected of being disloyal to the Emperor. The system which is thus carefully manipulated by the military clique is nevertheless vulnerable. In order to compete as a world power Japan has had to train a high percentage of the leadership group in the knowledge and thoughts as well as the skills of the West. From the point of view of the Government there have been far too many of these leaders and potential leaders who have had their minds "poisoned" by democratic and liberal doctrines so prejudicial to the continuance of oligarchic authoritarian control. It is among these non-conformists that potential leadership with a liberal outlook primarily survives.

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During the course of the war the educational system has been called upon for increasing economic and spiritual participation in the war effort. Children have been organized into labor corps, industrial and salvage crews, fire and air raid precaution squads and in many cases whole schools have been given over to war activities.

By the spring of 1945, due to the severe destruction and the necessity to conserve manpower for the emergency, most of the schools were closed. The only ones which remained open were some of the elementary schools, technical institutes and medical schools, the latter admitting women in increasing numbers.

In July 1945 the situation had become so critical that the Department of Education sought to close the remaining schools and to remove formal instruction to the comparative safety of temples, shrines, and scattered private homes. The Minister of Education recently issued the following statement: "In Japan, pursuit of knowledge and training for war are the two primary duties of students. Now a third has been added, which is to lend their efforts to war production, farming, and national defense".

b. Organization and Control

The ultimate determination of educational policy and the control of administration is concentrated in the Department of Education and through its various bureaus, regional, prefectural and local branches, it promulgates laws, issues proclamations, manifestos and edicts, writes or approves all textbooks, dictates or approves all courses of instruction and controls all facilities and personnel.

Any failure to comply with Government regulations or standards by either individuals or institutions may provoke censure, and serious digressions generally results in suspension. Private schools which introduce innovations must limit these primarily to teaching methods rather than to subject matter.

In order to maintain this control the Department of Education maintains an elaborate system of school inspection and reporting through its branch offices. Infractions of regulations are reported either through the

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inspectorate system or through the homes to the police and the Department of Education.

g. Purpose

The primary purpose of the educational system is to implant uniformly in the minds of youth at all levels of society and in every part of the nation ideas of complete and unfaltering loyalty and obedience to the will of government and the emperor and to inculcate a spirit of self-sacrificing nationalism and glorification of war.

Another important purpose is to produce large numbers of technically trained people capable of supporting a highly industrialized economy and adaptable to war needs.

d. Ideological subject matter

Children are taught that their first duty as subjects is to understand that the will of the Emperor who is the embodiment of the spirits of his divine ancestors and of the gods is sacred and inviolable. They must realize further that since Government carries out the will of the Emperor, any act committed against the Government is also committed against the Emperor.

As members of a community they must learn to develop a sense of communal loyalty and responsibility and as children they must learn to obey their parents. As members of the nation they must learn that the relationship between the Emperor and his subjects is similar to that between parents and their children.

As individuals, in addition to the subjugation of one's own desires to the will of the family and the state, children must come to understand the virtues of endurance, frugality and the control of the emotions. Girls must learn to become faithful and obedient wives and dutiful mothers.

e. Media and Methods of Indoctrination

Teachers In 1938 there were over 350,000 teachers exclusive of those in the youth schools. Of these, nearly 270,000 or about 80% were in elementary schools, over 50,000 or 14% in middle and vocational schools and

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the remaining 5% or 6% in institutions of higher learning. Practically all teachers in elementary schools receive standardized training and there is a constant and rigid enforcement of inspection of teaching to make certain that the indoctrination of students is satisfactory.

Schools All schools, public and private are licensed by the Department of Education. Before the war there were about 26,000 regular elementary schools, 3,000 middle and vocational schools, and 365 institutions of higher learning including higher technical schools, normal schools, professional schools and universities. The most important of the universities which totalled 45 were the 8 Imperial universities. Not only were these well equipped, but they also produced liberal minded leaders as well as reactionaries.

In addition to the regular elementary schools there were over 17,000 youth schools. The purpose of these is partly to provide vocational training but largely to give extra training in morals and patriotism and elementary military drill. These were commenced in 1935 as an amalgamation of the post six years elementary continuation schools and youth training institutes.

Students who number altogether about 16,000,000 (nearly 22% of the population) are highly regimented. Uniforms are generally compulsory especially the wearing of school caps with school insignia.

Curricula Before the reorganization of the educational system under the Emperor Meiji in 1872 and the commencement of Government control, elementary education was confined to the feudal courts and the temples and emphasis was placed on reading, writing and arithmetic. All other subject matter was introduced through the medium of these courses.

Today the basic weekly pattern for the first four years of elementary school averages 23 hours divided as follows: "Morals" 2 hours, Japanese language 12 hours, arithmetic 5 hours, drawing and singing 2 hours, gymnastics and drill 2 hours. History and geography are added for about 2 hours each during the last two years. Supplemental instruction is given in sewing for girls and manual training for boys. The course in "morals" (shushin) is primarily

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concerned with the indoctrination of obedience and loyalty and explanation of the Imperial Way.

In 1941, regulations were issued outlining the purposes of national education. With the proposed introduction of the eight year compulsory education system the elementary schools were renamed national schools (Kokumin Gakko) and the curriculum was divided into five courses, civics, science and mathematics, physical training, art, and business. Each of the courses was specifically outlined as to general content but in addition to the academic subject matter the following regulations had to be observed: training in Kodo or the Imperial Way and the strengthening of faith in the national spirit and national policy; the general situation of East Asia was to be explained with emphasis upon the position of the Empire; mind and body were to be trained as a whole so as to produce a "balanced development"; festivals, rituals, school programs, work, athletics and hygiene were to be incorporated as a part of the regular curriculum.

Textbooks The Japanese language is taught by means of a series of uniform national readers issued and copyrighted by the Department of Education. These narrate episodes combining exemplary personal behavior of national heroes with history and geography. The readers form a graduated series. The number of Chinese characters learned in the elementary schools is approximately 1,500.

In addition to the national readers is a series of textbooks on "morals" (shushin) which contain illustrative anecdotes about loyalty to the Emperor, patriotism, obedience and loyalty to one's parents, personal valor and bravery and the simple virtues of honesty, truth, and acts of kindness. Teachers are supplied with special teachers textbooks for the course in morals and ethics. The textbooks in arithmetic also inculcate militarism through pictures showing numbers of soldiers and lengths of battleships.

The readers of the early and middle twenties reflected a peculiar mixture of the military glories of Japan's past with a spirit of international cooperation. This latter element was eclipsed by the early thirties and from then on the readers have become increasingly nationalistic.

Throughout

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Throughout these changes, however, one factor has remained constant. The Emperor has always been pictured as the leader of his people both in war and peace.

Rituals, symbols, and observances In each school there is generally a portrait of the Emperor, a copy of the Imperial Rescript on education, and a small shrine as well as flags and school banners. The reading of the Imperial Rescript or Government manifestos, regulations, or commemorative addresses before the Emperor's portrait at fixed intervals are prescribed and have become a part of the curriculum. Visits to shrines and historic spots are also stipulated.

Teaching Techniques Generally speaking, individual initiative, critical appraisal and inquisitive research are encouraged only in technical and scientific subjects. In the social sciences and humanities, especially in political science, law, government, economics, geography, history, literature and sociology, students are expected to repeat what they have learned.

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2. CONTROL OF EDUCATION BY MILITARY GOVERNMENT

a. Basic Policy

In the control of the educational system of Japan it shall be the policy of the Military Government to introduce modifications in the existing system necessary to achieve the following objectives:

1) The security and proper operation of Military Government and the elimination of objectionable personnel and administrative and other features, such as militaristic and ultranationalistic doctrines and the concept of Asiatic domination, which are incompatible with the purpose of the United Nations;

2) The creation of conditions which will permit and encourage the development by the Japanese themselves of an educational system designed to initiate and foster a spirit of cooperative internationalism, liberal mindedness, and academic freedom, and the transfer of control to qualified Japanese as rapidly as circumstances permit.

b. System of Control to be exercised by Military Government

Since there are more than three hundred and fifty thousand Japanese teachers employed in the elementary schools alone, it is assumed that there will be insufficient Military Government personnel, trained in educational affairs, to permit direct supervision at all levels. Consequently Military Government should emphasize control through existing channels of administration in the Department of Education and the school system, whether on a centralized or regional basis. Objectionable bureaus of the Department of Education such as the Bureau of Educational Reform and the inspectorate system should be abolished and the functions of others such as the Bureaus of General Education, Special School Affairs and Technical Education should be suspended or supervised. In addition to the assignment of qualified officers to strategic positions in the Department of Education, others should be made available to work at the regional or prefectural level when deemed necessary to enforce educational directives issued by Military Government. Modifications in the existing system should be initiated by Military Government on the basis of available material and personnel.

c. Control

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c. Control during the Emergency Period

The following steps should be taken immediately in those areas where this has not already been done.

- 1) All schools should be closed.
- 2) The public should immediately be informed that schools will be reopened as soon as suitable arrangements have been made.
- 3) A rapid survey of the existing educational system should be made to determine the condition of facilities, to assess the character and purpose of institutions and personnel, and to reorganize administration and control.
- 4) A set of minimum requirements should be prepared for the reopening of schools on the basis of information derived from this survey and in conformity with the objectives of Military Government.
- 5) Radio broadcasts of an educational character should be regularly provided by the Information Service even before the reopening of schools.

d. Control during the Period of Established
Military Government1) SCHOOLS

To facilitate the maintenance of peace and order all schools except youth schools and other schools of a militaristic or ultranationalistic character should be opened as soon as they have met minimum requirements. Medical schools, schools of public health, and other schools primarily concerned with public welfare should be reopened as soon as possible. Wherever feasible, school buildings which have been converted to purposes other than education should be reconverted to their original use. There should be no discrimination in treatment between private and Government or public operated institutions. All youth schools and all other militaristic and ultranationalistic schools should remain closed. In devastated areas suitable quarters

should

-10-

should be supplied for school use. Special care should be exercised in the opening of normal schools and teacher training institutes. Technical and scientific schools and research institutes, primarily of an educational character should be treated as educational institutions, but those related primarily to war industries or war studies should remain closed. Organized education should be confined to school buildings or others approved by Military Government.

2) TEACHERS

Objectionable personnel, including inspectors and supervisors of thought and those giving military training should be removed from teaching, administrative and supervisory positions. Encouragement and responsibility should be given to those Japanese teachers with a liberal outlook and orientation. Other teachers and instructors should be permitted to resume their duties unless they demonstrate active hostility or fail to comply with regulations. The tremendous number of teachers required makes it impractical to consider any type of substitute instruction by Americans except through the use of the radio, recordings and films.

Periodic visits by approved Japanese and American specialists should be arranged to assist teachers in developing techniques and in utilizing new materials.

3) TEXTBOOKS AND OTHER MATERIALS AND MEDIA OF INSTRUCTION

Since it will be impracticable to destroy or even suppress 50,000,000 or more textbooks of a nationalistic character now in use or accessible, Military Government should attempt to meet this problem by revising as rapidly as possible textbooks from which the most objectionable features have been eliminated. There should be prepared for each of the elementary and middle school grades a textbook or textbooks which will combine the unobjectionable subject matter of such courses as history, civics and geography to be used as soon as possible after the re-opening of the schools. These should be substituted for the unacceptable textbooks. Textbooks in other subjects such as mathematics and the natural and physical sciences, which do not refer to military and ultranationalistic subjects should be used in their existing forms. Other textbooks in these subjects should be revised as soon as practicable.

Wherever

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Wherever possible motion pictures, radio, and other materials including those supplied by the Information Services and other sources of Military Government should be used to supplement instruction. The content of such material should be worldwide in character and should give an idea of other lands and of Japan in an objective manner.

4) CURRICULA

In institutions permitted to reopen the curricula should be modified in conformity with the following stipulations:

All courses dealing with military subjects or relating to war or war industries and all courses of a military and ultranationalistic character should be abolished.

Courses in Japanese history, civics (replacing ethics) and geography should be permitted only where Military Government is satisfied that the militaristic and ultranationalistic content has been eliminated and that suitable teaching personnel is available.

New courses in which the content promoted democratic ideas should be initiated by the Japanese themselves rather than by Military Government.

The School day should be shortened to meet the modified curriculum and to permit students to contribute to the economic readjustments of the home and community.

Extracurricular vocational training and sports should be encouraged.

The curriculum, methods of instruction and administrative organization of institutions of higher learning which produce leadership groups and individuals, should be revised to permit the highest degree of academic freedom consistent with the objectives of Military Government.

5) RITUALS SYMBOLS AND OBSERVANCES

Schools should be closed on authorized holidays and compulsory convocations of a militaristic and nationalistic character and ceremonies connected with the Emperor's portrait as a part of the prescribed curriculum shall be prohibited.

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3. THE INITIATION OF REFORMS IN THE EDUCATIONAL SYSTEM UNDER MILITARY GOVERNMENT

a. Basic Principles

Although changes in the educational system can only become permanent as they are carried out by the Japanese themselves it should be the purpose of Military Government to initiate reforms through cooperative Japanese to a point where they can be continued without external assistance. In general, the initiation of reforms should be carefully timed and should also be in keeping with the ability of Military Government to supervise or insure.

b. Ultimate Purposes of Reforms

The ultimate purposes of all educational reforms in Japan should be to encourage academic freedom, to make possible a liberal education and to educate Japanese to appreciate and achieve a democratic form of government acceptable to the United Nations.

c. Conditioning Factors

A number of factors not directly concerned with education will determine both the character and the extent of reforms which can be initiated by Military Government. Among these will be:

- 1) the economic pattern preceding and during the period of military government and rehabilitation.
- 2) the extent of direct control exercised by Military Government.
- 3) the degree of cooperation evinced by the Japanese.
- 4) the amount of damage done to schools and the degree of disorganization and decentralization already effected.

The degree or effect of these conditions upon the initiation of any proposed reforms will necessarily remain speculative until they can be satisfactorily assessed.

d. Specific

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c. Specific Reforms which might be Initiated by Military Government

1. Development of Individualism and a Critical Attitude

On the assumption that one of the fundamental bases for the ultimate evolution of democratic institutions is the development of the concept of the worth of the individual and freedom of expression, Military Government should seek to encourage the acceptance of this principle through all means at its disposal.

2. Equality of Educational Opportunities for All

In order to encourage the development of democratic institutions Military Government should seek to create a demand for the same educational opportunities for both sexes and should encourage an increase in scholarships in institutions of higher learning in order to equalize the opportunities for all social and economic classes.

3. Creation of a National Educational Reform Movement

If and when conditions permit Military Government should seek to encourage the creation of a National Educational Reform Movement or Association by the Japanese which will have as its purpose the development of free liberal thought and the establishment of an educational system which will foster the principles of democracy and international cooperation.

4. Increase in the Number of Secondary and Higher Schools

The disproportionate ratio between elementary schools and middle schools and between middle schools and schools of higher learning should be changed. In order to reduce the extreme conformity and to create greater opportunities for advanced education more schools of the higher grades should be established and teachers should be drawn from all accredited university and college graduates until sufficient numbers of suitably trained teachers are available. Military Government should seek to encourage the creation of more schools of this type.

5. Increase in Private Education and the Decentralizing of Government Controls

The

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The number of private educational institutions should be continually increased and government control should be reduced and probably decentralized. Military Government should seek to encourage a wide variety of private educational institutions whose purpose is to experiment with new educational techniques and subject matter and to promote training which will produce liberal and internationally minded leaders.

6. Changes in the Methods of Training Teachers

In order that teachers with a more liberal outlook can be trained, Military Government should seek to stimulate and encourage the creation of normal schools and teacher training institutes where stress will be placed upon the essential character of academic freedom and the development of a critical, rational and objective approach, with special emphasis on the social sciences.

7. Increase in the Availability of New Educational Materials and Techniques

Military Government should attempt to make available in accordance with demand a number of books, pictures, recordings and other educational materials relating to foreign countries and in foreign languages.

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OIC OCCUPIED AREAS DIVISION

(ADD)

17 May 1948

MAY 19 1948

DEPARTMENT OF STATE

1. The United Nations Resolutions on Korea of November 14, 1947 provide (paragraph 4(c) of Resolution II), that immediately upon the establishment of a National Government in Korea, that Government should, in consultation with the United Nations Temporary Commission on Korea (UNTCOK):

(a) constitute its own national security forces and dissolve all military or semi-military formations not included therein;

(b) take over the functions of government from the military commands and civilian authorities of north and south Korea; and

(c) arrange with the occupying Powers for the complete withdrawal from Korea of their armed forces as early as practicable and, if possible, within 90 days.

The UN Resolution further provides that the Commission shall facilitate and expedite the fulfillment of the foregoing program for the attainment of the national independence of Korea and the withdrawal of occupying forces, taking into account its observations and consultations in Korea. The Commission is directed to report, with its conclusions, to the General Assembly with respect to the application of the resolution in the light of developments.

2. With the above as a frame of reference, it may be assumed that developments in Korea will fall into distinct phases as follows:

(a) Prior to the establishment of a National Korean Government;

(b) Between the establishment of a National Korean Government and the termination of the U.S. occupation; and

(c) Post-occupation.

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3. The problems to which this paper, and its enclosures, addresses itself may therefore be regarded as those relating to:

(a) The establishment of a National Korean Government and the transfer thereto of the functions of government presently exercised by the USAMGIK;

(b) The establishment of a U.S. Diplomatic Mission in Korea;

(c) The withdrawal of U.S. occupation forces; and

(d) The extension of post-withdrawal aid.

4. Before the National Assembly can form a National Korean Government and notify the UNTCOK of its formation (paragraph 3, Resolution II of the UN Resolutions on Korea of November 14, 1947) it is assumed that the Assembly will have adopted a constitution or other organic act and an administrative structure of government. It is estimated therefore that UNTCOK may not be notified of the establishment of a National Korean Government before July 1.

5. The draft notes and agreements attached as Tabs "A" through "E" concern themselves with arrangements to be concluded as between representatives of the National Korean Government and the United States, in consultation where appropriate with the UNTCOK, regarding the withdrawal of U.S. occupation forces and a post-withdrawal aid program. The drafts will be approved for use by U.S. representatives after they have been commented upon by USAFIK. The paragraphs of the draft notes and agreements have been numbered in order to facilitate telegraph references.

6. It will be seen that Tabs "A" and "B" do not go into detail with respect to the responsibilities or authority of the U.S. Command and the National Korean Government in the period between the establishment of the government and the termination of the occupation. Provision is made however for the reservation of authority to USAFIK over certain "facilities as may be necessary in order to accomplish the withdrawal . . .". Questions

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that may arise with respect to this provision, or in connection with the authority or responsibility of the National Korean Government and USAFIK, can be made the subject of supplementary or informal agreements, if found necessary as a result of negotiations between the representatives of the two authorities provided for in the exchange.

7. The drafts of the request for aid and the aid agreement at Tabs "C" and "D" are considered self-explanatory.

8. The financial settlement agreement at Tab "E" requires final determination of the sums involved. This will be accomplished after a visit to the theatre by financial experts of the Department of the Army and approval by the appropriate agencies of the U.S. Government of their recommendations.

9. It is anticipated that the report and conclusions of the UNTCOK, as provided for in paragraph 5 of the second of the General Assembly resolutions on Korea of November 14, 1947, will be made to the General Assembly at its next regular session presently scheduled to convene in September. While making preparations for the extension of aid to Korea as contemplated by the attached notes and agreements, and transforming the office of the Political Adviser into a U.S. Embassy, formal recognition of the National Korean Government by the United States may await receipt by the General Assembly of UNTCOK's final report.

10. It is assumed for planning purposes that the following chronology will evolve:

- | | |
|---------------------|--|
| (a) May 15 | Initiation logistical preparations for withdrawal. |
| (b) May 24 | National Assembly convenes. |
| (c) May 24 - July 1 | National Assembly adopts constitution, selects administration (President, Cabinet, etc.) |
| (d) July 1 | United Nations Temporary Commission on Korea notified of formation National Korean Government. |

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- (e) July 1 - 15 Upon completion of action referred to at (d), conversations undertaken between representatives of U.S. Command and National Korean Government on notes at Tabs "A" and "B".
- (f) July 1 - 15 Or upon completion of action contemplated at (e), representatives of National Korean Government encouraged to consult with United Nations Temporary Commission on Korea concerning note at Tab "A".
- (g) July 1 - 15 Note at Tab "A" from National Korean Government transmitted to U.S. Command.
- (h) July 1 - 15 Note at Tab "B" from U.S. Command transmitted to Korean National Government.
- (i) July 15, 1948 Arrival of U.S. Ambassador.
- (j) July 16, 1948 Or on completion of action at (h), consultation by U.S. representatives with representatives of National Korean Government re Tab "C".
- (k) July 20, 1948 Consultation by representatives of National Korean Government with United Nations Temporary Commission regarding note at Tab "C".
- (l) August 1, 1948 Note at Tab "C" transmitted by National Korean Government to U.S. Government.
- (m) August 15, 1948 Initiation of troop withdrawal.
- (n) August 15, 1948 Negotiations on agreements at Tabs "D" and "E" between representatives of U.S. and National Korean Government, in consultation with representatives of United Nations Temporary Commission on Korea begin.
- (o) Sept. 1, 1948 Agreements at Tabs "D" and "E" signed.
- (p) Sept 1-Oct 1, 1948 Report by United Nations Temporary Commission on Korea to United Nations General Assembly with conclusions respecting application of United Nations Resolutions on Korea, as provided in paragraph 5, Resolution II.
- (q) Sept. 2, 1948 U.S. Mission to Korea will assume direct administration of all U.S. responsibilities in Korea including those assumed under Aid Program but excepting purely military responsibilities relating to troop withdrawal.
- (r) Dec. 15, 1948 Termination of U.S. occupation.

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TAB "A"

DRAFT

NOTE FROM THE PRESIDENT OF THE
NATIONAL KOREAN GOVERNMENT TO THE
COMMANDING GENERAL, UNITED STATES
ARMY FORCES IN KOREA

Sir:

11. I have the honor to inform you that on July 1, 1948 the National Korean Assembly which was constituted as a result of elections held on May 10, 1948 under the observation of the United Nations Temporary Commission on Korea, formed the National Korean Government. In accordance with paragraph 3, Resolution II of the United Nations General Assembly Resolutions on Korea of November 14, 1947, the United Nations Temporary Commission on Korea was notified on July 1 of the formation of this Government.

12. In furtherance of the United Nations General Assembly Resolutions on Korea (particularly paragraph 4, of Resolution II), the National Korean Government, after consultation with the United Nations Temporary Commission on Korea, is pleased to advise you that it is prepared to assume the functions of government. To that end, your cooperation and assistance is requested in releasing to the National Korean Government the responsibilities and authority now exercised by United States Military Government in Korea, including the direction of all Police, Coast Guard and Constabulary units now in being, which will compose the National Korean Security Forces. The National Korean Government is prepared to permit you to retain control over areas of vital importance to you, such as ports, lines of communication and airfields and such other facilities as may be necessary in order to accomplish the withdrawal of United States occupation forces from Korea in compliance with the United Nations General Assembly Resolutions on Korea.

13. In the interest of providing an orderly transition of full governmental responsibility and authority from the present

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United States Army Military Government in Korea to the National Korean Government, and to accomplish the purposes set forth above, I am prepared to name _____ and _____ to consult with representatives of your command.

14. Accept, Sir, the assurances of my highest consideration.

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TAB "B"

DRAFT

NOTE FROM COMMANDING GENERAL, UNITED STATES ARMY FORCES
IN KOREA TO PRESIDENT OF THE NATIONAL KOREAN GOVERNMENT

Sir:

15. By your note of July 4, 1948, you were good enough to inform me of the fact that the United Nations Temporary Commission on Korea was notified on July 1 of the formation of the National Korean Government, and to request my cooperation and assistance in releasing to the National Korean Government the responsibilities and authority now exercised by the United States Military Government in Korea.

16. I am pleased to note that the National Korean Government will permit me to retain control over areas of vital importance, such as ports, lines of communication and airfields, such other facilities as may be necessary in order to accomplish the withdrawal of United States occupation troops from Korea in compliance with the United Nations General Assembly Resolutions on Korea.

17. The United States Army Military Government in Korea will be pleased to cooperate with your representatives in arranging an orderly transfer of governmental functions, including the assumption of responsibilities for the direction of all Police, Coast Guard and Constabulary units now in being. To this end, and for the purpose of facilitating arrangements for the withdrawal of the troops under my command, I have appointed

_____ and _____ to consult with your representatives.

18. Accept, Sir, the assurances of my highest consideration.

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TAB "C"

MESSAGE FROM THE PRESIDENT OF THE NATIONAL KOREAN GOVERNMENT TO THE PRESIDENT OF THE UNITED STATES OF AMERICA

19. Despite the fact that a portion of the Korean people have been excluded from participation in the National Korean Government by circumstances beyond their control, the majority of the Korean people fully support the National Korean Government which was formed by their elected representatives with the assistance of the United States of America and after consultation with the United Nations Temporary Commission on Korea. Furthermore, the Korean people feel that the National Korean Government will prove to be a means of uniting all Koreans under one government and of realizing the independence which the Korean people have so earnestly desired and worked toward for so long a time. It is recognized however that until such time as all of the Korean people are permitted to enjoy participation in the National Korean Government and to aid in the establishment of a sound economy for the whole of Korea under that government, further and immediate assistance from the people and Government of the United States of America, in addition to that so generously provided in the past three and one half years, will be necessary if the National Korean Government is to survive and assume a position of responsibility among the democratic, independent nations of the world.

20. The National Korean Government and the Korean people therefore appeal to the Government of the United States of America and through it to the American people for financial, economic and technical assistance. For Korea to survive she must have:

21. a. The funds and technical assistance which will enable the National Korean Government to continue to purchase food, fertilizer, and other agricultural supplies, medical supplies, petroleum products and coal, cotton, wool, forest

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products, other raw materials, repair and replacement parts, and other commodities and services which are vital to the subsistence and economic activity of the Korean people, to the extent that any of such materials cannot be produced indigenously.

22. b. The credits, funds or other assistance to obtain from abroad those commodities and services required by the National Korean Government for maintaining law, order and internal security.

23. c. The financial and other assistance, including private and governmental credits, needed by the National Korean Government to initiate the reconstruction of those basic industries and services essential to permit Korea to maintain its internal economy and to participate in international economic activity.

24. d. The assistance of American technical personnel in order to assure the effective utilization of assistance provided to the National Korean Government by the Government of the United States of America and the assistance of military advisory personnel to enable the National Korean Government to assume full responsibility for the maintenance of law and order.

25. e. The continued inclusion of Korea in the International Emergency Food Committee food allocation program.

26. The National Korean Government will permit American officials in Korea to observe freely the manner in which American funds, goods and services are utilized in Korea. It will maintain such accounts and records, reports and information, as are deemed necessary to assist American officials in carrying out their assigned responsibilities. The National Korean Government recognizes that the Government of the United States of America will retain the right to terminate further assistance in the event that United States officials find that obligations assumed by the National Korean Government are not being met. The National Korean Government will extend to the United States press and radio representatives the right to observe freely and report fully on the utilization of American assistance.

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27. The National Korean Government, recognizing the seriousness of its present economic situation, is determined to take active steps to encourage economic reconstruction. Some of these steps are:

28. a. The establishment of an exchange rate as soon as the stability of economic conditions and the international trade position of Korea warrant the taking of such action.

29. b. The opening of Korea to permit and encourage investment by foreign nations subject to such controls as are needed for the protection of the basic interests and rights of the Korean people.

30. c. The balancing of the budget by eliminating non-essential expenditures and reducing all other expenditures to the absolute minimum and by increasing governmental revenues to the greatest extent practicable.

31. d. The recognition of transfers of former Japanese property effected by the United States Army Military Government in Korea under the authority of its ordinances and regulations.

32. e. The retention of the present program for the collection and distribution of cereal grains.

33. f. The maintenance of present farm rents to the extent practicable.

34. g. The regulation of all dealings in foreign exchange and a system of licensing foreign trade.

35. h. The development of Korean export industries as rapidly as practicable.

36. i. The maintenance and development of Korean transportation, communication, mining, manufacturing, fishing and other essential industries.

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37. j. The participation insofar as practicable in political economic and other activities of an international nature which are dedicated to the end of international peace, security and economic betterment.

38. If the Government of the United States of America should find that it is able and willing to provide assistance to the National Korean Government along the lines proposed, the National Korean Government wishes to propose that the two governments meet at the earliest possible moment for the purpose of signing an agreement which will set forth in detail the terms under which aid to Korea will be extended by the Government of the United States of America. The National Korean Government will be willing at this time, or at such time as desired by the Government of the United States of America, to negotiate a final settlement of all outstanding claims between the two Governments.

39. The people of Korea will work to maintain their country among the democratic nations of the world. The continued assistance of the people of the United States of America, which has been extended so generously during the period of American occupation, is needed by Korea if it is to ward off conditions of economic and political instability which could bring about its certain downfall. These considerations have led the people of Korea to submit their plea for aid to the people of the United States.

40. It is the sincere hope of the National Korean Government that the Government of the United States of America will find itself able to assist Korea in its hour of need.

41. Accept, Sir, the assurances of my highest consideration.

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TAB "D"

AGREEMENT ON AID TO THE NATIONAL GOVERNMENT OF KOREA

42. The National Korean Government, having requested the Government of the United States of America for financial, material and technical assistance to avert economic crisis, promote national recovery, and restore internal tranquility in that portion of Korea under its control; and

43. The Congress of the United States of America, in the Act approved _____, having authorized the President of the United States of America to furnish such assistance to the National Korean Government for use in that area of Korea under its control, on terms consonant with the independence and security of the National Korean Government; and

44. The National Korean Government, in a note to the Government of the United States of America having proposed certain measures within Korea which it deems essential to the effective utilization of United States assistance and of Korea's own resources in promoting reconstruction and recovery in Korea as soon as possible; and

45. The Government of the United States of America and the National Korean Government believing that the furnishing of such assistance will help to achieve the basic objectives of the Charter of the United Nations and the United Nations Resolutions of November 14, 1947 and will further strengthen the ties of friendship between the American and Korean peoples:

46. The undersigned, being duly authorized by their respective Governments for that purpose, have agreed as follows:

Article 1

47. The Government of the United States of America will furnish the National Korean Government such assistance as the

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President of the United States of America may authorize to be provided in accordance with the Act of Congress approved _____, and any Acts amendatory or supplementary thereto.

Article 2

48. The National Korean Government will make effective use of any assistance furnished to Korea by the United States of America and of Korea's own resources in order to strengthen and stabilize the economy of Korea as soon as possible. To this end the National Government of Korea has already undertaken, and hereby agrees, to effectuate the measures proposed in its note of _____ to the Government of the United States of America and will take such further action as may be appropriate.

Article 3

49. The Government of the United States of America will appoint an official (hereinafter referred to as the United States Aid Representative) to discharge the responsibilities in Korea of the United States of America under the Act of _____ and of the terms of this Agreement. The United States Aid Representative and his staff will exercise such functions as are necessary and proper to assist the National Korean Government to make the most effective use of any assistance furnished to Korea by the United States and of Korea's own resources and thereby to advance reconstruction and secure recovery in Korea as soon as possible. Certain of these functions are contained in the measures proposed by the National Korean Government in its note of _____.

Article 4

50. The National Korean Government will furnish all practicable assistance to the United States Aid Representative in order to facilitate the discharge of his responsibilities including movement of Mission personnel to, in or from Korea, the employment of Korean Nationals and residents, the acquisition of facilities and services, and the performance of other necessary activities.

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51. The National Korean Government will permit the United States Aid Representative and his staff to observe freely the utilization of assistance furnished to Korea by the United States of America. The National Korean Government will maintain such accounts and records, and will furnish the United States Aid Representative such reports and information as he may request.

52. In the event the United States Aid Representative ascertains the existence of abuses or violations of this Agreement, he will so report to the National Korean Government. The National Korean Government will promptly take such action as is necessary to correct such abuses or violations as are found to exist and report to the United States Aid Representative on action taken. If, in the opinion of the United States Aid Representative, appropriate corrective action is not taken by the National Korean Government the United States Aid Representative will consider the termination of further assistance.

Article 6

53. The National Korean Government and the Government of the United States of America will cooperate in assuring the peoples of the United States of America and Korea full information concerning the assistance furnished to South Korea by the United States of America. To this end --

54. a. Representatives of the press and radio of the United States of America will be permitted to observe freely and to report fully regarding the utilization of such assistance; and

55. b. The National Korean Government will afford the United States Aid Representative opportunity for, and will cooperate with it in providing, full and continuous publicity within Korea, including periodic reports by the Mission, as to activities under this Agreement and the purpose, source, character, scope, amounts, and progress of such assistance.

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Article 7

56. All goods provided by the United States of America pursuant to this Agreement shall be imported into and distributed within Korea in accordance with the terms of this Agreement and such other terms as may be agreed upon between the two Governments.

57. The National Korean Government will take all appropriate steps regarding the distribution within Korea of goods provided by the United States of America pursuant to this Agreement, and of similar goods imported through the use of other funds or produced locally, to ensure a fair and equitable distribution of the supplies within the area under its control.

58. The National Korean Government will not permit the re-export or diversion of goods provided by the United States of America pursuant to this Agreement without the approval of the United States Aid Representative.

59. The National Korean Government will exert all possible efforts to secure the maximum production, collection, and distribution of locally produced supplies and will maintain a program for the collection and distribution of indigenously-produced cereal grains.

Article 8

60. When goods provided by the United States of America pursuant to this Agreement are sold for local currency, the amount of such local currency shall be deposited by the National Korean Government in a special account in the name of the National Korean Government. Such funds shall be disposed of only upon approval of the United States Aid Representative.

61. The National Korean Government will each month make available to the United States Aid Representative reports on collections, balances, and expenditures from the account specified above.

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Article 9

62. The National Korean Government will undertake to reduce, and insofar as practicable to eliminate, budget deficits through the elimination of any expenditures deemed not essential and through the increase of governmental revenues by all practicable means.

63. The National Korean Government agrees to maintain such controls over the issuance of currency and the use of private and governmental credit as are essential to the maintenance of economic stability.

64. The National Korean Government agrees to make available to the United States Aid Representative such information with respect to (a) and (b) as he deems necessary to the discharge of his responsibilities under this agreement.

Article 10

65. The National Korean Government agrees to maintain controls over the use of foreign exchange and the retention of an import and export licensing system in order to insure that the proceeds of Korean exports are used for the procurement of imports essential to the Korean economy.

66. The National Korean Government will not, except with the approval of the United States Aid Representative, make available any foreign exchange for the payment of principal or interest on public and private debts.

67. The National Korean Government agrees to provide the United States Aid Representative with complete information concerning import and export programs and to recognize his right to make such recommendations in respect thereto as he deems necessary for the effective discharge of his responsibilities under this agreement.

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Article 11

68. Any or all assistance authorized to be provided pursuant to this Agreement will be terminated --

69. a. If requested by the National Korean Government;

70. b. If the United Nations finds that action taken or assistance furnished by the United Nations make the continuance of assistance by the Government of the United States of America pursuant to this Agreement unnecessary or undesirable;

71. c. Under any of the other circumstances specified in section _____ of the Act of Congress of _____ or if the President of the United States of America determines that such termination is in the interest of the United States of America.

72. d. If the National Korean Government, in the view of the United States Aid Representative, does not faithfully execute the terms of this Agreement.

Article 12

73. This Agreement shall be registered with the United Nations. Done in duplicate, in the English and Korean languages, at, _____, this _____.

74. For the Government of the United States of America:-

75. For the National Korean Government:-

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FINANCIAL AND PROPERTY SETTLEMENT AGREEMENT
WITH THE NATIONAL KOREAN GOVERNMENT

TAB "E"

76. The National Korean Government, the Government of the United States of America, and the United States Army Military Government in Korea, in view of the note of _____ from the President of the National Korean Government to the Commanding General, United States Army Forces in Korea (Tab "A"), the note of _____ from the Commanding General, United States Army Forces in Korea to the President of the National Korean Government (Tab "B"), and the Aid Agreement between the two Governments signed on _____, and in view of the desirability of negotiating a settlement of all outstanding claims between the two Governments, the undersigned, being duly authorized by their respective Governments for that purpose, agree as follows:

Article 1

77. The Government of the United States of America and the United States Army Military Government in Korea have transferred or will transfer to the National Korean Government title to all property classified as national property in the Land Ledger and map books of the District Tax Offices and the Land Register of the Courts together with all improvements on and additions to such property, to certain military property of the Government of the United States of America that has been furnished to the Korean Constabulary, Civil Police or Coast Guard, and to all cash and bank deposits, all equipment, supplies and other property owned by the departments, offices and agencies of the United States Army Military Government in Korea including all relief and rehabilitation supplies furnished to the Korean economy under the United States Army Military Government in Korea supply program. ^x Won proceeds of sales of civilian supplies heretofore furnished to the Korean economy shall be turned over to the National Korean Government. In consideration for the transfer

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to it of such property and such won proceeds, the National Korean Government will transfer without payment to the Government of the United States of America designated real estate for the use and benefit of the Government of the United States of America. The National Korean Government assumes and relieves the Government of the United States of America of all liability for the South Korean Interim Government overdraft account at the Bank of Chosen, commitments under government-guaranteed loans and all other obligations incurred by the South Korean Interim Government, including claims incident thereto which may arise in the future.

Article 2

78. The Government of the United States of America and the United States Army Military Government in Korea will transfer to the National Korean Government certain military property of the Government of the United States of America for the use of the Korean Constabulary, Civil Police and Coast Guard, and other materials which have been brought into or will be brought into Korea and not heretofore disposed of under the United States Army Military Government in Korea supply program. The Government of the United States of America through the Office of the Foreign Liquidation Commissioner will transfer to the National Korean Government certain military property of the Government of the United States of America, separate and apart from the property referred to in Article 9, and declared surplus to the Office of the Foreign Liquidation Commissioner, subject to terms (Note: Terms to be determined prior to final settlement. It is assumed that transfer will be made at nominal cost to the National Korean Government). The National Korean Government confirms as final and unconditional the title obtained by the purchasers of such goods. The Government of the United States of America and the United States Army Military Government in Korea undertake to effect payment for all shipments received from Japan prior to the effective date of this Agreement.

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Article 3*

79. The Government of the United States of America and the United States Army Military Government in Korea will transfer to the custody of the National Korean Government for later disposition any gold, silver, platinum, currency, securities, accounts in financial institutions, credits, valuable papers, and any other property owned or controlled directly or indirectly in whole or part on or since 9 August 1945, by any of the Governments of Germany, Italy, Bulgaria, Rumania, Hungary and Thailand, or any agencies thereof; or by any of their nationals, corporations, societies, associations or any other organization of such governments or incorporated or regulated by them.

Article 4

80. The Government of the United States of America and the United States Army Military Government in Korea will transfer to the National Korean Government the Korean Foreign Exchange Bank shares owned and held by the United States Army Military Government in Korea, together with all the assets and liabilities of said Bank. The Government of the United States of America and the United States Army Military Government in Korea will transfer to the National Korean Government net residual balances of dollars held by the United States Army Military Governor for Korea as a result of transactions effected by him on behalf of Korea.

Article 5

81. (a) The National Korean Government recognizes such disposition of former Japanese public and private property vested under Ordinance Number 33 as have already been effected by the United States Army Military Government in Korea. Such property not yet so disposed of will be transferred without

* This article may be substantially changed after further examination of United States policy towards European satellites, particularly those with whom treaties of peace have been negotiated.

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payment to the National Korean Government. The National Korean Government will respect, preserve and protect all rights and interests, direct or indirect, of nationals of countries at war with Japan in former Japanese property in Korea acquired by the National Korean Government in accordance with this paragraph providing such rights and interests were legally acquired by bona fide transfer prior to the effective date of Ordinance Number 33 of the United States Army Military Government in Korea. The National Korean Government relieves the Government of the United States of America and the United States Army Military Government in Korea of all liability arising out of the vesting, administration and disposal of the property referred to in this paragraph.

Article 6

82. Property in Korea of United Nations nationals which was seized, confiscated or sequestered by the Japanese Government under its wartime regulations, and property in Korea of other persons which was treated by the Japanese Government as enemy property will be protected and preserved by the National Korean Government pending its return to its rightful owners providing such owners request the return of the property within a reasonable period. The National Korean Government undertakes to return all such property which is identifiable and available for return if not otherwise provided for by mutual agreement between the owner and the National Korean Government. The National Korean Government undertakes to compensate owners for damage or loss to such property during the period that it was not under the control of such owners, to the same extent as compensation is paid for loss or damage to Korean property seized, confiscated or sequestered for war purposes by the Japanese Government or its nationals. The National Korean Government relieves the Government of the United States of America and the United States Army Military Government in Korea from liability for any claim arising out of the administration of

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property referred to in this paragraph from 9 September 1945 to the date of this Agreement. Any person in Korea injured by the application of the principles set forth in this paragraph shall look to the National Korean Government for relief.

Article 7

83. The Government of the United States of America and the United States Army Military Government in Korea will assume responsibility for settlement with the USSR for all power furnished south Korea by north Korea from 9 September 1945 to the date of signing of this Agreement.

Article 8

84. The Government of the United States of America, through the United States Army Military Government in Korea, has reimbursed Korea, subject to offsetting credits, at a fair dollar value for all goods, services, and facilities heretofore provided for or to the United States Armed Forces from the Korean economy. The National Korean Government agrees that payment in full has been made for all Korean goods and services heretofore used by or provided to the United States Armed Forces in Korea, and relieves the United States Army Military Government in Korea, the Government of the United States of America or any official employee, agency or instrumentality thereof, of all liability for present and future claims of the National Korean Government, its nationals or other individuals and organizations arising from the occupation by United States Armed Forces in Korea.

Article 9

85. (a) In consideration of the transfer by the Government of the United States of America to the National Korean Government of title to certain property having a fair value of approximately \$25 million, and heretofore furnished to the Korean economy through the Office of the Foreign Liquidation Commissioner of the United States Department of State and the United States Army Military Governor in Korea, the National Korean Government

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agrees to pay to the Government of the United States of America the fair value of said property in Korean currency, not to exceed the equivalent of \$25 million, as shown on the records of said Foreign Liquidation Commissioner covering the transfer of such property to the United States Army Military Government in South Korea. Payment by the National Korean Government of the total fair value of said property shall be made at such times and in such amounts as may be specified by the Government of the United States of America but in no event shall payment in full be made later than 20 years from the date of this agreement. Interest shall accrue at the rate of 2 3/8% per annum from the date of this agreement on the outstanding unpaid balance of the total fair value of said property and shall be payable in Korean currency on July 1 of each year, the first payment to be made on July 1, 1949. The rate of exchange to be used in determining the amount of Korean currency to be paid to the Government of the United States of America shall be either the most favorable rate at which won are lawfully acquired by any purchaser or a rate agreed upon between the two Governments.

86. (b) The National Korean Government agrees that the Korean currency to be received by the Government of the United States of America as provided in paragraph (a) of this Article may be used for the payment of any or all expenses in Korea of the Government of the United States of America. The Government of the United States of America declares that it is now its intention to request the payment of Korean currency, as provided in paragraph (a) of this Article, for such program of educational exchange as may be agreed upon by the Government of the United States of America and the National Korean Government and for the acquisition of property, real or personal, tangible or intangible, or the improvement of property in which it has an interest, for the use and benefit of the Government of the United States of America.

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87. The Government of the United States of America will purchase for United States dollars, at the most favorable rate at which won are lawfully acquired by any purchaser or at a rate agreed upon between the two governments, all won required for expenditures by the United States Armed Forces in Korea from the date of this Agreement until the withdrawal of such forces.

ACCESS RESTRICTED

The item identified below has been withdrawn from this file:

File Designation SWNCC - Miscellaneous 091 Korea

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- Security-Classified Information
- Otherwise Restricted Information

Authority

Date

WITHDRAWAL NOTICE

3329

*Esmaier*UNCLASSIFIED*Please note*STATE-ARMY-NAVY-AIR FORCE COORDINATING COMMITTEEPUBLIC AFFAIRS OVERSEAS PROGRAM STA
Japan Branch
POS/T

JUL 13 1949

DEPARTMENT OF STATE

MEMORANDUM FOR INFORMATION NO. 161MEMO TO MEMBERS OF SANACC SUBCOMMITTEES
AND AD HOC COMMITTEESNote by the Secretaries

With the dissolution of the State-Army-Navy-Air Force
Coordinating Committee, effective June 30, 1949, the following
Subcommittees and Ad Hoc Committees were permitted to expire:

Subcommittee for Europe
Subcommittee for the Near & Middle East
Subcommittee for the Far East
Subcommittee for Latin America
Subcommittee for Foreign Policy Information
Subcommittee for United Nations Affairs
Ad Hoc Committee on SWNCC 137/3
Subcommittee for Rearmament
Subcommittee for the Release of State Papers
Security Advisory Board

G. H. HILSETON

M. BAUMGARTNER

M. V. BROKAW

Secretariat

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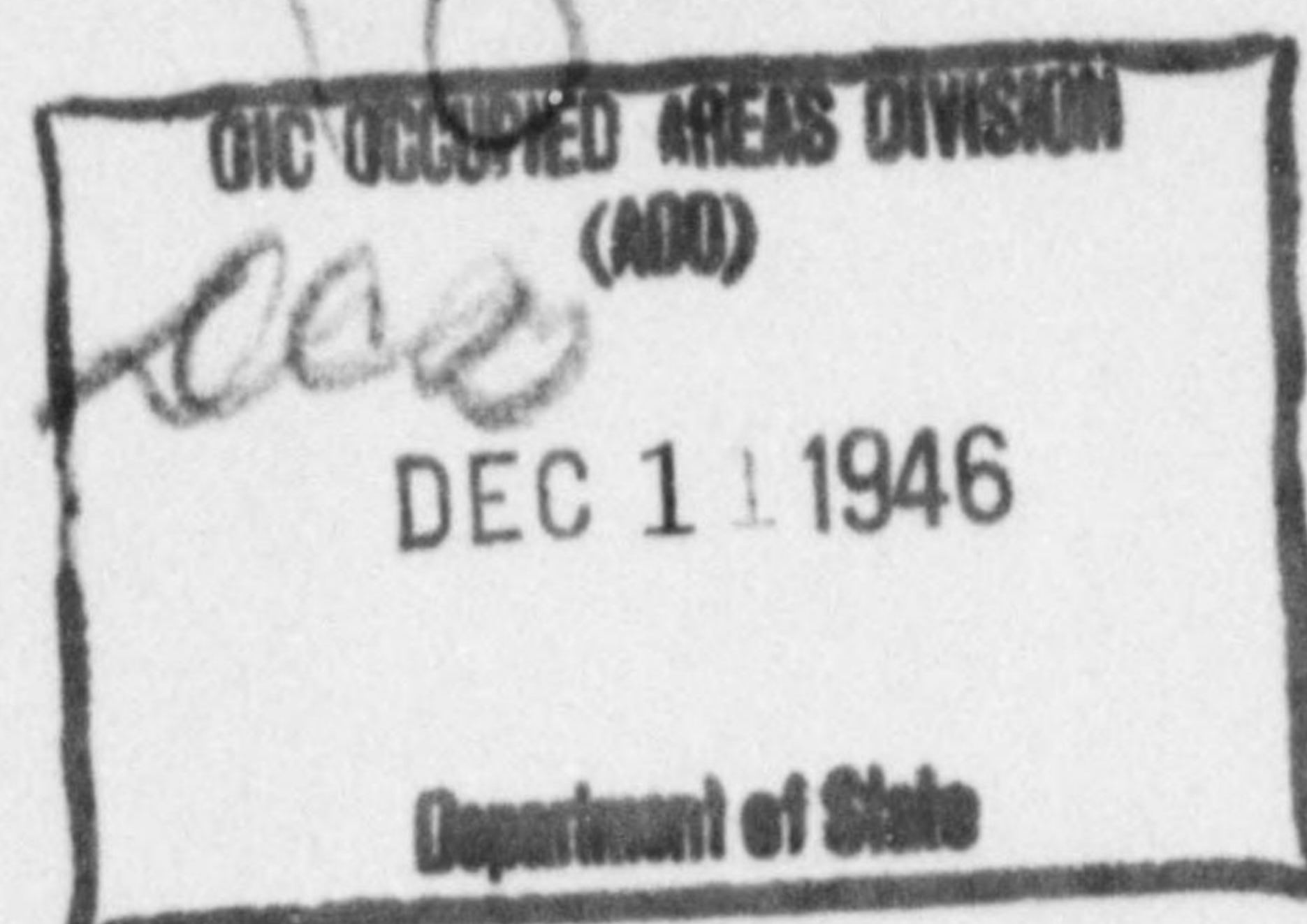
*Thurs 4:00*SECRET

December 9, 1946

TO: JK Secretariat Members
FROM: Korea Subcommittee

The attached draft of a SWNCC paper is circulated for your consideration, after having been prepared by a subcommittee pursuant to decision of the last meeting of the Secretariat. The paper will be discussed at a meeting of the Secretariat on Thursday, December 12, 1946 at 2:00 p. m. in room 359 of the main State Department building.

LEONARD C. MEEKER	Le
JOHN Z. WILLIAMS	JA
FREDERIC P. BARTLETT	DA
WILLIAM L. YEOMANS	DA



SECRETCOPY NO. 18SWNCCJanuary 1947STATE-WAR-NAVY COORDINATING COMMITTEETRUSTEESHIP FOR KOREANote by the Secretaries

The enclosure is circulated for consideration by the Committee.

H. W. MOSELEY

ALEXANDER D. REID

V. L. LOWRANCE

Secretariat

SWNCC

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E N C L O S U R E

THE PROBLEM

1. To determine whether the United States should now submit to the USSR, the United Kingdom, and China proposals for an international trusteeship for Korea; and to devise draft trusteeship agreements for the contingencies (1) that the detailed procedures set forth in the Moscow Declaration of December 1945 cannot be expeditiously carried out, or (2) that a provisional government for Korea has been organized by the Joint Commission constituted pursuant to the Moscow Declaration.

FACTS BEARING ON THE PROBLEM

2. See Appendix "A".

DISCUSSION

3. See Appendix "B".

CONCLUSION

4. Korea should be established as a trust territory under the Charter of the United Nations, in order to promote Korean independence.

5. The United States should submit to the USSR first, and later to the United Kingdom and China, the draft trusteeship agreement contained in Appendix "C" of this report.

6. In the event that a provisional government is organized for Korea pursuant to the Moscow agreement, the United States should propose the draft trusteeship agreement contained in Appendix "D".

7. A statement of United States policy on international trusteeship for Korea should be formulated at the appropriate time to be released to the press in the discretion of the Secretary of State. Such a statement might include a review of the position the United States has taken with regard to Korea and copies of the draft trusteeship agreements contained in Appendices "C" and "D".

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RECOMMENDATIONS

8. That this report be forwarded to the Joint Chiefs of Staff for their comment from the military point of view.

9. That, on approval by SWNCC, this report be sent to the Joint Chiefs of Staff and the War and Navy Departments for information, and to the Department of State for implementation. That in implementing the report the Department of State should conduct informal correspondence with the USSR, and later, in its discretion, with the United Kingdom and China. That the Department of State should at an appropriate time release a statement of United States policy to the public.

SECRETAPPENDIX "A"FACTS BEARING ON THE PROBLEM

On December 1, 1943 the heads of the governments of the United States, United Kingdom, and China issued a declaration at Cairo to the effect that Korea should in due course become free and independent. The Cairo Declaration was reaffirmed at Potsdam on July 26, 1945, the USSR adhering to the Potsdam Declaration when it declared war on Japan early on August 9, 1945

As a result of two separate conferences between Marshal Stalin and Mr. Hopkins, one at Yalta and the other at Moscow, the United States and the USSR resolved on an international trusteeship for Korea as the best means of preparing Koreans for independence.

The provisions of the United Nations Charter relating to international trusteeship are contained in Articles 75-79, 81, 84-85, and 87.

In an attempt to clarify the procedures to be followed in carrying out their earlier plan for furthering Korean independence, the Foreign Ministers of the United States, USSR, and Great Britain met in Moscow in December, 1945. The three Powers agreed to the following statement on Korea:

III. Korea. 1. With a view to the reestablishment of Korea as an independent state, the creation of conditions for developing the country on democratic principles and the earliest possible liquidation of the disastrous results of the protracted Japanese domination in Korea, there shall be set up a provisional Korean democratic government which shall take all the necessary steps for developing the industry, transport and agriculture of Korea and the national culture of the Korean people.

2. In order to assist the formation of a Provisional Korean Government and with a view to the preliminary elaboration of the appropriate measures, there shall be established a joint commission consisting of representatives of the United States Command in southern Korea and the Soviet Command in northern Korea. In preparing their proposals the Commission shall consult with the Korean democratic parties and social organizations. The recommendations worked out by the Commission shall be presented for the consideration of the Governments of the Union of Soviet Socialist Republics, China, the United Kingdom and the United States prior to final decision by the two Governments represented on the Joint Commission.

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3. It shall be the task of the Joint Commission with the participation of the Provisional Korean Democratic Government and of the Korean democratic organizations to work out measures also for helping and assisting (trusteeship) the political, economic and social progress of the Korean people, the development of democratic self-government and the establishment of the national independence of Korea.

The proposals of the Joint Commission shall be submitted, following consultations with the Provisional Korean Government for the joint consideration of the Governments of the United States, Union of Soviet Socialist Republics, United Kingdom and China for the working out of an agreement concerning a four-power trusteeship of Korea for a period of up to five years.

4. For the consideration of urgent problems affecting both southern and northern Korea and for the elaboration of measures establishing permanent coordination in administrative-economic matters between the United States Command in southern Korea and the Soviet Command in northern Korea, a conference of the representatives of the United States and Soviet Commands in Korea shall be convened within a period of two weeks.

The conference provided for in paragraph 4 above met from January 16 through February 5.

The failure of the conference to achieve any substantial results was due to the fundamental divergence of viewpoint between the United States and USSR delegations. The United States delegation based its discussions on the desirability of removing the barrier of the 38th parallel and considering the country as an economic and administrative whole. The Soviet delegation, on the other hand, viewed the problem as one of exchange and coordination between two adjoining but separate zones of military responsibility.

On March 20, 1946, the Joint Commission provided for in the second paragraph of the Moscow Agreement met for the first time. The United States considered the formulation of plans for the creation of a provisional Korean Government as the first and most pressing task before the Commission.

From the beginning the Soviet position was that the Provisional Korean Government would be formed after consultation with only those political parties and social organizations fully in favor of the Moscow agreement. Such a policy would have had the effect of excluding from consultation all parties that had expressed opposition to the idea of trusteeship. It was finally agreed that the Joint Commission would consult with Korean democratic parties and social organizations which were truly democratic in their aims and methods and which would subscribe

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to the following declaration:

We _____ declare that we will uphold the aims of the Moscow Decision on Korea as stated in paragraph 1 of this decision, namely: "The reestablishment of Korea as an independent state, the creation of conditions for developing the country on democratic principles, and the earliest possible liquidation of the disastrous results of the protracted Japanese domination in Korea." Further, we will abide by the decisions of the Joint Commission in its fulfillment of paragraph 2 of the Moscow Decision in the formation of a Provisional Korean Democratic Government; further, we will cooperate with the Joint Commission in the working out by it with the participation of the Provisional Korean Democratic Government, of proposals concerning measures foreseen by paragraph 3 of the Moscow Decision.

The Soviet delegation then insisted that any individual representatives selected by Korean parties who had expressed opposition to the Moscow Decision, and particularly to the provision for trusteeship, should be declared ineligible for consultation with the Joint Commission. The United States delegation did not accept this proposal on the ground that such an exclusion would constitute a violation of the principle of the freedom of speech. As it became evident that no progress could be made, the Commission adjourned sine die on May 8th.

The U. S. Command has taken the initiative and pressed the Soviet command for resumption of negotiations on a basis not inimical to essential individual rights. However, no progress on the implementation of the terms of the Moscow agreement has been made since the adjournment of the Joint Commission. Resumption of negotiations between the two commands remains a local responsibility unless action is taken on the governmental level relieving the Joint Commission of its functions under the terms of the Moscow agreement.

SECRETAPPENDIX "B"DISCUSSION

The United States has determined on international trusteeship as the appropriate means of furthering the policy of Korean independence. Such a trusteeship, it is believed, would be the most effective means of advancing Korea on the road to independence, and would have great advantages over the present situation.

Divergent policies pursued by the occupying forces of the United States and the USSR have served to create in Korea an intensification of the division of that country during the past 16 months. In the Soviet occupied zones of Korea, "people's committees" have been formed under the supervision of the "interim people's committee of north Korea." These committees have subordinated to themselves all other political parties or organizations insofar as their influence is felt in the administration of the area. Soviet direction of the committees is complete, and "elections" held in the north during September revealed an unreal unanimity of opinion by Koreans residing in the Soviet zone. The Soviet political pattern as developed in other countries has been followed in the north.

Under a military governor, who is a U. S. Army officer on the Staff of the U. S. Commander, U. S. Military Personnel, together with Korean employees, constitute the U. S. Military Government which is in control of the governmental structure in south Korea. Emphasis is being placed upon the treatment of Koreans as a liberated people, and measures are being adopted to gain Korean support for the above objectives stress Korean participation in forward looking programs in political, economic and cultural affairs. A legislative assembly for south Korea is contemplated which is designed to give expression to Korean views and aspirations.

The conclusion seems inescapable that unification of Korea and its development into an independent nation would be fostered by the application of a trusteeship arrangement under the terms of the Charter of the United Nations.

As pointed out in the statement of facts (Appendix "A"), the prospects of a solution for Korea by way of the Joint Commission are dim. At the end of November 1946 the Soviet Command once again declined to resume negotiations. To circumvent the impasse that has prevailed since May 1946 it is believed that a new departure should be taken, in the form of a proposal by the United States on the governmental level for Korean trusteeship with a four-power administering authority. Such a procedure would

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short-circuit the Joint Commission mechanism and obviate the necessity for action there. It is believed that such a proposal would have more likelihood of implementation and success than the proposal for a provisional government and trusteeship via the Joint Commission.

In order to proceed with effectuation of United States policy on Korea, the United States, it is believed, should go forward with the proposal for trusteeship that is independent of the Joint Commission procedure. It is recognized that the effect of the United States making such a proposal -- through its influence on Korean opinion, on world opinion, and directly on the policy-makers of the USSR -- might be to stimulate Soviet cooperation in the Joint Commission procedure, with the result that a provisional government might thereby be organized and subsequent trusteeship agreed upon pursuant to the Moscow agreement. To cover that contingency, an alternative draft trusteeship agreement for Korea has been included in Appendix "D".

The latter draft agreement assumes a more advanced stage of native Korean government at the time of putting trusteeship into effect than the draft in Appendix "C". It is assumed, for example, that a provisional government setup by the Joint Commission would be accompanied by constitutional arrangements -- thus obviating the necessity of providing in the trusteeship agreement for the adoption and promulgation of a constitution. The draft in Appendix "C" assumes, on the other hand, the present factual circumstances as a point of beginning.

As a result of the use of the word "trusteeship" alone in describing the period within which Koreans are to be subject to international controls prior to achieving their independence, Koreans reacted violently to the terms of the Moscow agreement. This reaction was due primarily to the fact that as a preliminary to incorporation into the Japanese Empire, Korea was subjected to a "protectorate" or "trusteeship" arrangement. In the minds of Koreans, therefore, the term "trusteeship" is related to past Japanese domination which lasted for 40 years.

The violent reaction against "trusteeship" has had considerable effect upon the Korean political scene, and has had a direct relationship to U.S. and USSR negotiations in carrying out their commitments under the Moscow agreement. Publication of the terms of trusteeship can be expected to have an immediate effect upon Koreans. The fact that the administration

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of trusteeship would be under the auspices of the United Nations, and that Korea would have certain well defined advantages as a result of such an arrangement would be important to Koreans. A further, and perhaps more important factor would be that the terms of trusteeship define concretely the limitations within which outside powers will maintain further control in Korea, and fix a time within which these controls will be terminated and Korea will be accorded her promised independence.

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APPENDIX "C"

DRAFT TRUSTEESHIP AGREEMENT FOR KOREA

WHEREAS the Emperor of Japan and the Japanese Government, on September 2, 1945, executed an Instrument of Surrender which was accepted by the Supreme Commander for the Allied Powers including the United States of America, the Republic of China, the United Kingdom of Great Britain and Northern Ireland, and the Union of Soviet Socialist Republics;

WHEREAS Japan in the Instrument of Surrender has accepted the provisions of the Potsdam Declaration, which included a stipulation that the sovereignty of Japan shall be limited to its main islands and such minor islands as the four above-mentioned powers shall determine;

WHEREAS it is agreed that Korea shall become free and independent;

WHEREAS paragraph 3 of section 3 of the agreement reached at the Moscow meeting of Foreign Ministers December 27, 1945 provided that the said four powers were to consider a four-power trusteeship for Korea;

WHEREAS Article 77 of the Charter of the United Nations provides that territories which may be detached from enemy states as a result of the Second World War may be placed under the international trusteeship system;

WHEREAS The primary purpose of trusteeship for Korea is to enable the Korean people as soon as possible to accept the responsibilities of independence and Korea to become a member of the United Nations;

It is resolved to place Korea within the international trusteeship system pending the full exercise by Korea of the powers of independent government, to assume the responsibilities of administering authority for Korea, and to propose to the General Assembly of the United Nations terms of trusteeship as follows:

CHAPTER I. ESTABLISHMENT OF TRUSTEESHIP

Article 1. Korea is hereby placed within the international trusteeship system established by the Charter of the United Nations.

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Article 2. The United States, China, the United Kingdom, and the Union of Soviet Socialist Republics are hereby designated collectively as the administering authority for Korea.

Article 3. The governments of the states of the administering authority hereby recognize Korea as independent, subject during the period of trusteeship to the terms of this agreement.

Article 4. The United Nations shall be trustee for the Korean people during the period of the trusteeship, and the powers constituting the administering authority renounce in favor of that Organization as trustee any rights or titles in Korea which they may have acquired from the surrender of Japan. No part of the trust territory of Korea shall be designated as a strategic area.

Article 5. The administering authority, acting as agent in behalf of the United Nations and of the people of Korea, shall be responsible to the United Nations for the execution of this agreement.

Article 6. The administering authority in discharging the obligations of trusteeship in Korea shall act in accordance with the basic objectives set forth in Article 76 of the Charter of the United Nations and as provided for in this agreement. The Charter of the United Nations and the provisions of this agreement shall constitute the supreme law of Korea during the period of trusteeship.

Article 7. The purpose of the trusteeship shall be to enable the Korean people effectively to assume the responsibilities of independence at the termination of the trusteeship. The administering authority shall therefore promote as rapidly as possible the progressive political, economic, and social advancement of the Korean people. To this end, the administering authority shall, among other means, employ the following policies:

(1) Political advancement

(a) Extend progressively the use and scope of free elections without discrimination because of sex or because of religious or political beliefs;

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(b) Provide increasingly to the fullest extent possible for the participation in administrative, judicial, and other official positions of suitable Korean personnel and progressively transfer responsibility to them;

(c) Develop adequate facilities to train Koreans to assume the responsibilities inherent in the maintenance of an independent state.

(2) Economic advancement

(a) Encourage the development of a productive economy, both agricultural and industrial, with a view to the efficient use and conservation of Korean resources;

(b) Retain for the Korean people control over monopolistic Japanese industries and developments, for disposition in accordance with duly enacted Korean law;

(c) Facilitate the access of Korea and its people to capital and technical assistance needed for economic development;

(d) Facilitate the development by the Korean people of both an internal and an external exchange of goods by assisting them to supply their needs from and to sell their products in the most favorable markets;

(e) Promote employment at adequate wages, improve working conditions, assure freedom of association and where feasible encourage collective bargaining, and provide necessary social insurance and social services.

(3) Social advancement

(a) Protect the rights and fundamental freedoms of all elements of the population without discrimination, protect the health of the inhabitants, control the traffic in arms and ammunition, opium and other dangerous drugs, institute such other regulations as may be necessary to protect the inhabitants against social abuses;

(b) Take steps toward the establishment of a general system of education.

SECRETCHAPTER II. FORM OF TRUSTEESHIP SUPERVISION

Article 8. The organs of trusteeship supervision by the administering authority shall be a Commission and a High Commissioner.

Article 9.

1. A High Commissioner and a Deputy High Commissioner, who shall not be nationals of Korea or of any of the states which comprise the administering authority, shall be appointed by unanimous agreement of those states, and may be removed by a majority of them.

2. In the absence from Korea of the High Commissioner his powers and functions shall be exercised by the Deputy High Commissioner. And in the case of the death or removal of the High Commissioner his powers and functions shall be exercised by the Deputy High Commissioner pending the designation of a new High Commissioner.

Article 10.

1. The Commission shall consist of the High Commissioner, as presiding officer, and of one representative of each of the states which comprise the administering authority.

2. Each member of the Commission, with the exception of the High Commissioner, shall have one vote. Decisions of the Commission shall be made by the majority of the members, excluding the High Commissioner. In the event of a tie the High Commissioner shall cast a deciding vote.

3. The Commission shall meet in Korea in regular session twice yearly or in special session at the call of any one of the members.

Article 11.

1. Each of the parties to this agreement shall pay during the period of trusteeship the salary and expenses of its representative on the Commission and of his staff.

2. The administering authority shall provide jointly and equally for the salary and expenses of the High Commissioner, Deputy High Commissioner, and their staffs.

SECRETCHAPTER III. FORM OF KOREAN ADMINISTRATION

Article 12. Pending the promulgation of a constitution for Korea, as provided in Articles 34 to 40 of this agreement, and as soon as practicable after the effective date of this agreement, the administering authority shall organize national and local government for the country.

Article 13. The heads of the principal executive departments shall be Koreans appointed by and responsible to the High Commissioner. These officers shall in addition comprise a cabinet to advise the High Commissioner.

Article 14. The legislature of Korea shall consist of a single chamber elected by the citizens of both sexes. The elections shall be held on the basis of universal, equal, and secret suffrage.

Article 15. Pending the enactment of relevant legislation, the functions of provincial and other local government shall be carried on by such organs as the High Commissioner may designate for the purpose.

Article 16. Pending the enactment of relevant legislation, the Korean judiciary shall consist of such courts as the High Commissioner shall deem necessary, with the judges of those courts selected according to such manner as the High Commissioner may prescribe.

CHAPTER IV. FUNCTIONS AND RELATIONSHIPS OF ADMINISTERING AUTHORITY AND KOREAN ADMINISTRATION.

Article 17. In accordance with the terms of this agreement, the administering authority shall exercise such executive, legislative and judicial power as may be necessary for the efficient administration of Korea.

Article 18. The administering authority shall exercise its powers and functions through the Commission and High Commissioner provided for in Article 8 of this agreement.

Article 19. The Commission shall be responsible for the formulation and review of general policy in the execution of this agreement.

Article 20. The High Commissioner shall be the chief administrator of Korea.

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Article 21. Bills may be introduced in the legislature by members of the legislature or by the High Commissioner. Each bill passed by the legislature shall become law upon signature by the High Commissioner or at the end of thirty days after passage if the High Commissioner has by that time taken no action. Within the period of thirty days after passage, the High Commissioner may veto the bill if in his opinion such action is essential to the fulfillment of the terms of this trusteeship agreement, and he shall then inform the legislature in writing of the reasons for his veto. In the event that the legislature fails to enact a bill which in the judgment of the High Commissioner is essential to the fulfillment of the terms of the trusteeship agreement, he may enact, on his own responsibility, such ordinances as he deems essential. Such ordinances shall have the force of law and shall remain in effect for a period of one year.

Article 22.

1. The High Commissioner shall be responsible for the maintenance of internal law and order. To this end the High Commissioner shall develop local Korean police forces and such national Korean police forces as he may deem necessary for the maintenance of internal and border security, with the technical assistance, if necessary, of qualified nationals or members of the United Nations other than those constituting the administering authority.

2. When as a result of exceptional circumstances the independence and integrity of Korea, public order and security, or the human and civic rights of the inhabitants, are endangered and cannot adequately be protected by the Korean police forces, he may request the Commission to place at his disposal forces from the states of the administering authority.

Article 23. All expenses of national and local Korean administration, apart from those expenses covered in Article 11, shall be provided for out of Korean national and local revenues, except as provided otherwise by the administering authority. Such expenditures as are deemed essential to accomplish the provisions of this agreement and which cannot be met through revenues from Korean sources shall be borne equally by the states of the administering authority.

SECRET

Article 24. Pending the enactment of a Korean nationality law, persons of Korean racial origin domiciled in Korea, and persons of Korean racial origin domiciled abroad who consider themselves as owing allegiance to no other country than Korea, shall be considered Korean citizens.

Article 25. The administering authority shall, subject only to the requirements of public order, assure to the inhabitants of Korea freedom of movement and of communication; freedom of speech and of the press; freedom of assembly and freedom of conscience, of worship, and of religious teaching.

CHAPTER V. EXTERNAL RELATIONS OF KOREA

Article 26. The High Commissioner shall conduct the foreign relations of Korea, and shall arrange for the furnishing of diplomatic protection and consular services to citizens of Korea when outside the territorial limits of Korea.

Article 27. The High Commissioner shall ensure that Korea shall play its part in the maintenance of international peace and security. To this end the High Commissioner may make use of volunteer forces, facilities, and assistance from Korea in carrying out the obligations toward the Security Council undertaken in this regard by the administering authority.

Article 28. The High Commissioner on behalf of Korea may accept membership in any regional advisory commission, regional authority or technical organization or other voluntary association of states, may cooperate with specialized international bodies and may engage in other forms of international cooperation consistent with the terms of the Charter of the United Nations.

Article 29. The administering authority shall make available to the nationals of all members of the United Nations the same rights as are enjoyed in Korea by the Nationals of any of the states which comprise the administering authority, equally subject to the requirements of public order and compliance with the local law.

SECRET

Article 30. The administering authority shall endeavor to secure for nationals of Korea the enjoyment in other states of rights which nationals of those states enjoy.

Article 31. The administering authority shall apply to Korea all appropriate international conventions already existing or which may be concluded hereafter relative to such matters as commercial equality, freedom of transit and navigation, serial navigation, railways, postal, telegraphic, and wireless communication, and industrial, literary and artistic property, provided that the application of such conventions is not inconsistent with the objectives of the trusteeship system as stated in Article 75 of the Charter of the United Nations or with the terms of this agreement.

Article 32. The High Commissioner shall assure to Koreans and the nationals of members of the United Nations the right to engage in Korea in such activities as the gathering, dissemination, and transmission of information, within the country and to places outside of Korea, by means of all types of communications facilities.

Article 33. Private individuals and groups, whether Korean or composed of nationals of members of the United Nations, shall be permitted to establish and maintain schools, hospitals, churches, and missions subject to the requirements of public order.

CHAPTER VI. ADOPTION AND PROMULGATION OF A CONSTITUTION FOR KOREA

Article 34. According to the procedure specified in Article 21 for Korean legislation, a law shall be enacted for the purpose of organizing a constitutional convention.

Article 35. The constitutional convention shall draft a proposed constitution for Korea.

Article 36. The proposed constitution shall thereupon be submitted to a popular referendum by the voters of Korea.

Article 37. When the High Commissioner has ascertained the result of the referendum and it is in favor of adopting the draft constitution, he shall transmit the document to the Secretary General of the United Nations for approval by the General Assembly.

SECRET

Article 38. If the proposed constitution fails to win approval in the Korean referendum or by the United Nations General Assembly, the constitutional convention shall meet again to revise or rewrite the draft constitution, for resubmission to popular referendum and to the United Nations General Assembly.

Article 39. The constitution of Korea so adopted shall enter into force upon proclamation by the High Commissioner, which proclamation shall be made after the approval of the United Nations General Assembly shall have been communicated to him by the Secretary General.

Article 40. After the promulgation of the constitution and before the termination of trusteeship for Korea, the High Commissioner shall remain empowered to exercise the functions specified in Articles 22, 26, 27 and 28 of this agreement. Any provisions of the constitution which are in conflict with this Article shall be suspended from operation until the end of the trusteeship period. In his discretion, the High Commissioner may provide that the functions specified in Articles 22, 26, 27, and 28 shall be exercised in accordance with the provisions of the constitution during all or part of the remaining period of trusteeship.

CHAPTER VII. RELATIONS OF THE ADMINISTERING AUTHORITY
TO THE UNITED NATIONS

Article 41. The administering authority shall recognize the General Assembly, and the Trusteeship Council acting under the authority of the General Assembly, as representing the United Nations in carrying out functions of the United Nations in regard to this agreement, and shall undertake to collaborate fully with them.

Article 42.

1. The General Assembly, or the Trusteeship Council acting under its authority, shall arrange for annual visits to Korea, and, in consultation with the administering authority, for such special visits as may be required.

2. The administering authority shall give to such visitors complete access to Korea and the inhabitants of Korea, and shall make available to them all facilities necessary for acquiring information.

SECRET

Article 43. The Trusteeship Council in consultation with the administering authority shall annually survey the progress achieved in accomplishing the purpose of the trusteeship and report thereon to the General Assembly.

Article 44. The General Assembly or the Trusteeship Council may make recommendations to the administering authority on any matter relating to Korea.

Article 45.

1. The administering authority shall submit an annual report to the General Assembly, on the basis of a questionnaire formulated by the Trusteeship Council, containing such information as may be required on the political, economic, and social advancement of the inhabitants of the territory and setting forth the measures taken to promote that advancement.

2. The administering authority shall also submit such special reports as may be requested by the General Assembly and shall report to the General Assembly upon the measures taken to give effect to the recommendations of the General Assembly and Trusteeship Council.

3. The High Commissioner shall designate representatives to consult with the General Assembly or the Trusteeship Council in the examination of reports submitted by the administering authority.

Article 46.

1. If any dispute among the four administering powers relating to the interpretation or application of this agreement shall arise, such dispute may be submitted by any of the powers constituting the administering authority to the International Court of Justice, whose judgment shall be accepted as having binding force.

2. The General Assembly or the Trusteeship Council may request advisory opinions of the said court on legal questions relating to this agreement.