Dear President etc

(First 2 paragraphs here)

The representatives of both US and ROK are continuing the negotiations which were not finished in Washington. They do not seem to get any where and we have to appeal to your personal attention.

(1) The Military aid program insistee on by US representatives require a total sum which is 70 % of the total national income for the military fund. leaving a total of 30 % for the running of the government for a year. This is impossible.

(2) Economic aid, program which has been the main cause of the ruin of K. economy since the inception of the ECA operation about 8 years ago has to continue as it has been. We do not see how it con, unless we intend to wreck the the whole structure. The following are the main cause, which we have intentionally kept from general public so far for fear it might hurt the good will of the K. people are the following :

(a) The so-called exchange rate. K. currency rate to the dollar in 1945 was 15 Won to a dollar. The ECA officials later demanded increase in dollar rate to be "realistic" and began to double it up every once in a while until in 1953 they threatened to cut out the aid fund, if we fail to raise it to 23.000 Won for a dollar. The ROK Government in an attempt to save the economy from complete collapse, changed the Won into Hwan, each Hwan to be equal to 100 Won and made the exahnge rate as 180 to a dollar. Each time the rate was raised the general prices of goods doubled up over night and later ECA made the realistic rate by making the exchnage rate twice high. Thus the dollar rate began with 15 Won reached the high it of 23.000 Won. Just imagine how the government could maintain its budget abd how the people could mak their living under this circumstane? Still the economy has not collapsed is a wonder.

(b) At the beginning of the war in 1950, this government agreed to advance as a loan in Won for US and UN war expenditure. Since that time the government had to and did print paper currence no less than a billion Won daily and kept it up until in 1953 the total amount printed for that loan account only reached a total of ------ without getting a cent for its payment. In 1950, the total sum of national currency circulating in the nation was ------ in 1953 the newly printed currency thrown into the circulation amount to ----------. It completely destroyed every possibility of recovering the national currency stabilization. These Americans who deliberately

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forced us into this situation have never thought of changing the dollar exchange rate in Japanes Yen, which was and still is 360 Yen to a dollar.

(c) K. must buy at least 25 per sent of the total of $280.000.000 which has been allocated for K economic aid for the year 1955 from Japan. If we agree to it, the actual purchase from J. would be at least 50 per cent, if not more according to our experiences in the final disposition of the aid funds. It will be better for us to let them deduct a sum of $11.200.000 out of the total economic aid fund and give it to Japanese and in return bring whatever goods they want to import from Japan.

(3) Secretary Dulles raised the question of cooperating with Japan in your presence when we were meeting together at our conference and I replied by saying that the Japanese claim 85 percent of all the property in K. belongs to J. and that preposterous claim has broken up the K-J. discussions. We want to know whether US government supports J's demand or does it consider Korea's position is right that it cannot make friends with Kapan solong as the Japanese are going to rule K. as they did for the last 40 years. Mr Dulles did not answer that question. It is highly important for the Ks to know what is the policy of the US in this dispute.

(4) The most vitally important question at present isUnification of K. The unity of K. as it has always been is the only thing that will make it possible for K. to survive. We never get tired of repeating feelingly that we are forever grateful to US and other UN nations that for saving K. from being driven into the sea, but to failure to accomplish the objective is entirely due to the reasons entirely political. Korea has been coopperating with US all the way through to this juncture was largely to travel together and also with the hope that US would never stop in the half way. Now we have a million or more Chinese troops in the north only a few miles from our capital and US is withdrawing its 2/3 of its forces, followed by the other UN forces, including the US air force from Korea. Here we are asked to agree with US government that we,should agree with the US to make the efforts to unify K. by peaceful means, which means that if the Soviets refuses to withdraw their occupation forces from K. peacefully Korea should remain divided for an indefinite length of time. We asked you to let the Koreans try to unify themselves either free or as slaves, if you do not wish to renew the war with us. We further asked you to increase 15 to 20 additional forces so as to replace all or part of the US forces whenever they want to return home. Both of these requests are turned down. Without preparation for our defense, US forces are with being withdrawn. If we sign the statement which US representatives want us to sign

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