

~~TOP SECRET~~

NSC BRIEFING

4 October 1954

SITUATION IN SOUTH KOREA

- I. The present period in South Korea, which Ambassador Briggs terms "disquieting and dangerous," is a highly critical one in US-South Korean relations.
- II. Rhee has not yet agreed to sign the draft minute of understanding which calls for South Korea's co-operation in return for the proposed American aid program.
 - A. He apparently intends to bargain hard over the minute. His tactics were suggested in a recent statement that action on the minute must await settlement of South Korea's differences with Japan--something he has no intention of doing.
- III. He has ignored strong US representations to cease his public attacks on American policies and officials.
 - A. Since returning from his Washington visit, he has charged American officials with being "pro-Japanese."
 - B. He misrepresents the troop withdrawals as "abandonment".
 - C. He describes American economic and military aid as inadequate and improperly administered. (These statements being used by Pyongyang radio).

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D. He belittles the Manila Pact.

E. This campaign is a standard Rhee tactic to pressure the US into accepting his views.

IV. On 1 October, he ~~cut off~~ ^{RESTRICTED} the supply of local currency to the UN Command, in an effort to force the US to accept his unrealistic 100-1 exchange rate.

V. He is also threatening action in the international field which could be embarrassing to the US.

A. He said on 1 October, through his information office, that the "Communist spies" (Czech, Polish members of NNSC teams) must be expelled forthwith.

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Rhee said to a Korean official that NNSC members "would be picked up."

B. He is continuing his public vilification of Japan, HAS put armed troops on disputed Liancourt Rocks, and ^{IS} continuing to seize Japanese fishing vessels. Rejected Jap offer to submit Liancourt dispute to ICJ.

C. He ~~will probably~~ ^{MAY} submit a dissent to the UN on ^(FORTHCOMING) the 16-nation report concerning the Korean political conference ^(AT GENEVA) thus breaking the united front and giving the Communists a good propaganda issue.

VI. For the past two months the South Korean army general staff, presumably on Rhee's orders, has been planning, on

a contingency basis, an attack designed to embroil the UN in renewed hostilities.

A. One plan envisages a small-scale attack by a volunteer force and assumes that UN intervention could be attained by asserting South Korea had been invaded.

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B. No date appears to have been set ~~6~~ [REDACTED]

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[REDACTED] considerable uncertainty among Rhee's military officials over the feasibility of the plans.

VII. Rhee appears depressed and ^duncertain about which way to turn. He told Ambassador Briggs on 27 September that the time had come for South Korea to "decide its own course," but added no decision had yet been made. Later he said South Korea was in "great peril" and that unification under the Communists was, perhaps, better than no unification at all.

VIII. It remains possible that these threatening developments are designed primarily for psychological pressure on the US government, to gain the objectives Rhee was unable to attain by direct diplomacy.

A. However, Rhee is resentful and emotionally disturbed over the failure of his Washington visit to change American policies, and angry over the troop withdrawals.

B. His present agitated mood could result in dangerous and irrational conduct.