

**April 21, 1954**

**Letter, James E. Waddell to James H. R. Cromwell**

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**Summary:**

James Cromwell's law counselor, James Waddell, regarding the effects of the proposed Private Enterprise Plan.

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April 21, 1954

Mr. James H. R. Cromwell  
1028 Connecticut Ave., N.W.  
Washington 6, D. C.

Re: House and Senate Con-  
current Resolution 219

Dear Mr. Cromwell:

Answering the second question stated in my letter of yesterday, the following facts are called to your attention in reply to the question:

- " 2. What was the purpose, and what will be the effect of this Resolution and its companion legislation?"

As heretofore stated to you, Resolution 219 possesses no immediate possibility of change in the existing national economy of the Republic of Korea. Nor does this Resolution contain an immediate possibility of changing in any way the existing and prospective expenditures for the industrial rehabilitation of the R.O.K.

The most and the best for which you can hope, and work, is adequate enabling legislation in the form of a bill that Congress will pass, and that President Eisenhower will sign. Unless these legislative steps are taken, I am sorry to say that the future of American aid and participation in the Korean national economy has only a limited life. My reasons for this unpleasant conclusion are stated in the following paragraphs.

As you know, my legal work carries me far afield, and during the past year I have travelled thousands of miles, and spent four months in various states of the vast territory that constitutes the heartland of the United States. In the course of my travels, I found the following facts.

Our war in Korea is branded as a military calamity, and the truce we signed is considered a humiliating gesture of a defeated power. The American people, therefore, do not have kindly, or generally tolerant thoughts about Korea. Furthermore, the R.O.K. and President Rhee have had a persistently "bad press".

To millions of Americans, Korea represents an unpardonable political blunder which bred so deep and bitter a resentment that it swept the Democratic Party out of office in 1952, after twenty years of political power.

More than 33,000 American boys fought and died for Korean "freedom". They did not fight and die to promote or perpetuate in Korea, a way of life and a national economy, based upon those socialist-communist principles, with which we are now locked in a life-and-death struggle.

Mr. Edgar Monsanto Queeny, and other leaders have visited Korea,, have studied the economic evils and plain political consequences that are inherent in the R.O.K. Constitutional sections which provide for government ownership and monopoly of Korean resources, assets and industries.



Mr. James H. R. Cronwell

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These visitors to Korea have written and have spoken far and wide of what they saw and learned in Korea. The responses to their revelations have been both instant and inimical. It is merely a matter of time until the rising tide of hostile public opinion will result in demands that all aid to Korea be stopped, in order to cease the building of another Soviet satellite. Congress will then have no choice but to bow to the inevitable. In fact, the first pressures are already present in Congress.

Your Resolution 219 is the friendliest and most useful service you have yet performed for Mr. Rhee and his people. By means of this Resolution No. 219 the rising tide of American hostility to Korea can be stemmed. If the Korean leaders wisely use the time thus gained, they will amend their Constitution so as to convert their national economy to one of freedom and free enterprise.

The Government of the United States cannot compel the Korean Government and its people to accept an economic system similar to that which prevails here. But, the American people can, - and will, - not continue to underwrite a Socialistic or Communistic national economy in the R.O.K., or elsewhere, with American tax dollars derived from a free economy.

The leaders of Korea have a voluntary choice to make, and upon that choice will depend the eventual industrial rehabilitation of the R.O.K.

In closing, please permit me to point out that the needs of Korea inevitably conflict and compete with those of other nations whose economic and political ideologies at least appear to accord with those of the United States. The R.O.K. cannot hope to overcome these competitors for American dollars, if the present picture of political and economic absolutism is continued in Korea.

Sincerely yours,

James E. Waddell

JW:b