

From: 021200/I Jan. 48
To : 091200/I Jan. 48

Headquarters, USAFK
Seoul, Korea
12 January, 1948

NO. 121
MAPS: KOREA, 1/250,000
East ASIA, 1/1,000,000

PART I
SOUTH KOREA

1. ARMED FORCES

A. STRENGTH - No Change

2. CURRENT INTELLIGENCE

a. KOREAN INTERIM LEGISLATIVE ASSEMBLY

No sessions within the period. In adjournment until 12 January 1948.

b. KOREAN PEOPLE'S REPUBLICAN PARTY (Confidential)

The KOREAN PEOPLE'S REPUBLICAN PARTY (formerly known as the KOREAN NATIONAL REVOLUTIONARY PARTY) is a violent leftist organization with headquarters in LOS ANGELES. It supports the DEMOCRATIC PEOPLE'S FRONT and communist policies in KOREA and publishes a weekly newspaper the "Korean Independence" in which attacks are made on U.S. Military Government and General HODGE. A close affiliate of this organization is the KOREAN AMERICAN CULTURAL ASSOCIATION located in HONOLULU and WASHINGTON, whose honorary president is KIM Kyu Sik.

The KPRP exercises great influence in CALIFORNIA Korean circles and maintains an indirect alliance with the communist newspaper, DAILY WORKER. Since the organization maintains close liaison between its branch in KOREA and the UNITED STATES it is able to be very influential in the molding of public opinion in the U.S., while at the same time assuming the responsibility for the collection of funds to propagate the "party line."

The following extracts are from the Intelligence Monthly Summary, dated 01 August 1944, prepared by the Federal Bureau of Investigation, LOS ANGELES Field Division:

... "The KOREAN NATIONAL REVOLUTIONARY PARTY withdrew from the United Korean Committee during the course of the Third Annual Conference of the UNITED KOREAN COMMITTEE IN AMERICA held in April 1944. The 'Korean Independence' is alleged to be a non-partisan Korean newspaper but is in fact very closely allied with the KOREAN NATIONAL REVOLUTIONARY PARTY. Information obtained reflects that HAAN Kilsoo is a member of the Publicity Committee of the KOREAN NATIONAL REVOLUTIONARY PARTY. The KOREAN NATIONAL REVOLUTIONARY PARTY of CHUNGKING, CHINA, officially recognized in July 1943, its branch party in LOS ANGELES. There is presently another branch of the Party in HAWAII. This Party was stated to have had its beginning as a local group in LOS ANGELES in 1938 when it was formed as the "League to Aid CHINA," when hostilities broke out between CHINA and JAPAN. When it came to the attention of the group that there was a Korean Volunteer Army fighting in CHINA they renamed their group the "LEAGUE TO AID KOREAN VOLUNTEERS FOR CHINA" with the purpose of extending financial assistance to such Korean volunteers; in fact, they did to the extent of less than \$1,000. Upon learning that the Korean Volunteer Army was made up principally of members of the KOREAN

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NATIONAL REVOLUTIONARY PARTY, the local group in 1942 changed its name to the KOREAN NATIONAL REVOLUTIONARY, U.S.A., subsequent to which time it was officially recognized by the Party in CHINA as previously indicated. Information has been had that this organization is at least 'under the shadow of Communism' inasmuch as the general secretary, KIM Yaksan, of the KOREAN NATIONAL REVOLUTIONARY PARTY in CHUNGKING, who is likewise the present War Minister of the present Korean provincial government gained his experience as a military leader with the Chinese in the Eighth Route Army during the present Chinese-Japanese War.

The Eighth Route Army is stated to have been the Chinese Communist Army. All members of the KOREAN NATIONAL REVOLUTIONARY PARTY are subscribers to the Korean Independence, which has been stated to be a non-partisan paper; however, it is noted that the general manager of this paper one Diamond KIM is likewise the general secretary of the KOREAN NATIONAL REVOLUTIONARY PARTY. The Party and the newspaper have the same address in LOS ANGELES." (No evaluation was given on the above report from the FBI.)

The following is an extract from the Weekly Intelligence Summary, dated 15 May 1945, prepared by the Intelligence Branch, Southern District, 1909 SCU Command, LOS ANGELES, CALIFORNIA.

....The KOREAN NATIONAL REVOLUTIONARY PARTY in AMERICA which is affiliated with the UNITED KOREAN COMMITTEE was incorporated in CALIFORNIA on 12 January in 1945 and is dominated by CPA members and sympathizers (source, FBI-LA). (A-2).

The following is an extract from Summary of Information dated 27 March 1945 prepared by the Intelligence Branch, Ninth Service Command, LOS ANGELES, CALIFORNIA, regarding Diamond KIM; James PINN:

...KIM is the general manager of "Korean Independence," a Korean newspaper published every Wednesday by the Korean Independence News Company, 1350 West Jefferson Blvd., LOS ANGELES, CALIFORNIA. Its policy is to support the Korean Provincial Government in general but appears to give its chief allegiance to the Communist elements within that government. (B-2)

The KOREAN NATIONAL FRONT FEDERATION, also known as the U.S.A. Branch of the Korean NATIONAL REVOLUTIONARY PARTY, was originally called the KOREAN VOLUNTEER CORPS. Diamond KIM is chairman. Its platform is unequivocally Communist. (B-2).

COMMENT: The KIM Yaksan referred to in the FBI report is more commonly known as KIM Won Bong, a chairman of the DEMOCRATIC PEOPLE'S FRONT and reportedly connected with the KOREAN DEMOCRATIC PATRIOTIC YOUNG MEN'S ASSOCIATION, successor to the outlawed CHOSUN MIN CHUNG. Ostensibly KIM maintains his position of leadership in the PEOPLE'S REPUBLICAN PARTY while at the same time molding its policy along the lines of the parent organization the DEMOCRATIC PEOPLE'S FRONT.

While KIM Kyu Sik was listed as a leader of the KPRP as recent as the summer of 1946, he resigned when he joined the REPRESENTATIVE DEMOCRATIC COUNCIL and since that time has concentrated his political efforts along a moderate line as manifested by his leadership of the recently established NATIONAL INDEPENDENCE FEDERATION (see W/S #119, par 6b)

Oddly enough the KPRP had its origin in CHUNGKING in 1935 and officially supported the old PROVISIONAL GOVERNMENT Group, but it left the right wing fold after the PGG returned to KOREA and joined the DEMOCRATIC PEOPLE'S FRONT. Generally the KPRP is a type of "catch all" organization in that it appeals to small farmers and business men, particularly land owners. As such its potential strength is great and could be second in importance to the powerful SOUTH KOREA LABOR PARTY.

However, left wing unity at the moment remains at best a speculation. Only an assumption may be made that a united left wing still exists in South KOREA since it went underground after August 1947. If it does exist, it is totally lacking in competent leadership and continues to confine its activities to a condemnation of the U.N. Commission. There are, however, some indications that the left wing will indulge in overt acts to embarrass the American Command and the Commission. Except for a growing poster and "chalk" propaganda campaign against the U.S. and the Commission and for an early withdrawal of Soviet and American forces, overt communist activity remains at a low ebb although there appears to be definite underground activity and infiltration into the rightist camp. The publicized fifth column activities of the Soviet Delegation during the sessions of the Joint Commission and the discovery of the communist plot for August 1947 have educated South Koreans in the real communist aims for KOREA, causing the MOSCOW followers to lose great face and become generally unpopular among the public.

c. THE NATIONAL INDEPENDENCE FEDERATION (Confidential)

The organization of the NATIONAL INDEPENDENCE FEDERATION, highlight of present moderate activity, and the designation of its chairman, Dr. KIM Kyu Sik, was announced on 20 December. As the name implies, the organization is a "federation" of twenty-five social organizations and the following fifteen political parties:

<u>PARTY</u>	<u>TENDENCY</u>
1. DEMOCRATIC INDEPENDENCE	Moderate
2. LABORING PEOPLE'S	Moderate left
3. NEW PROGRESSIVE	Moderate
4. POPULAR ALLIANCE	Moderate left
5. KOREAN FARMERS'	Moderate
6. SOCIAL DEMOCRATIC	Moderate
7. TCH'AWN DO KYO YOUNG FRIENDS'	Moderate
8. TCH'AWN DO KYO KOOK DANG	Moderate right
9. INDUSTRIOUS MASS	Moderate left
10. KOREAN NATIONAL SOCIAL	Moderate right
11. DEMOCRATIC KOREAN INDEPENDENCE	Moderate left
12. KOREAN MASSES	Moderate right
13. MASS	Moderate right
14. KOREAN REPUBLICAN	Moderate right
15. SIN HWA DANG	Moderate (?)

COMMENT: Of these parties, the DEMOCRATIC INDEPENDENCE PARTY, the internal structure of which was copied by the FEDERATION, is the strongest, both in numbers and in leadership. Scholar HONG Myung Hi and SKIG Civil Administrator AHN Chai Hong head the most influential elements.

The LABORING PEOPLE'S PARTY was organized by LYUH Woon Hyung. Since his assassination on 19 July 1947, however, the party has been weakly led by CHANG Kun Sang and a Central Committee composed of persons who have shown no outstanding ability. Embracing an active leftist strength, the party has been and remains divided in its support of the FEDERATION, which has declared its intention to cooperate with the U.N. Commission, providing that body follows a course which will achieve unification, as well as independence for KOREA. This division in the party is so distinct that its members have joined the FEDERATION as individuals, the LABORING PEOPLE'S PARTY declining to join the FEDERATION as a body. KIM Kyu Sik stated that he would "accept" only certain members of the party, allegedly declaring that he would oust all communists or any communist-dominated organization. Approximately twenty members, not including its leader, have joined the FEDERATION.

The NEW PROGRESSIVE PARTY and the POPULAR ALLIANCE are also divided in the measure of loyalty they intend to devote to the efforts of the FEDERATION. The majority of the remaining parties are small and heretofore largely ineffectual, possible exceptions being the KOREAN FARMERS' PARTY, LYUH Woon Hong's SOCIAL DEMOCRATIC PARTY, and the articulate TCH'AMN DO KYO factions. KIM Kyu Sik himself said that he had "heard" of the SIN HWA DANG, but he could give no details as to its strength or tendency.

Organization (See Chart)

Following his designation as chairman of the NATIONAL INDEPENDENCE FEDERATION, Dr. KIM Kyu Sik proceeded to erect the structure of his federation. Representatives at the mass meeting decided that Dr. KIM should name his own electors, who would nominate the members of the two major committees, the political and the executive. The result was the selection of able persons who, in general, have demonstrated long allegiance to the FEDERATION'S chairman.

It was planned to have nine members comprise the political committee. Thus far only seven have been appointed, the composition of the committee being as follows:

POLITICAL COMMITTEE

1. HONG, Myung Hi, chairman, DEMOCRATIC INDEPENDENCE PARTY;
2. YOON Ki Sawb, vice-speaker, KILA;
3. WON Sei Hoon, organizer of the POPULAR ALLIANCE and member of KILA;
4. SON Do Hwan, prominent in LABORING PEOPLE'S PARTY and leading political theorist;
5. LEE Kerk No, head of one of the larger social organizations in the FEDERATION and a well-known scholar;
6. KIM Soon Ai, Dr. KIM Kyu Sik's politically experienced wife; and
7. KIM Sawng Kyoo, comparative unknown, representing CONFUCIAN elements.

The general functions of the POLITICAL COMMITTEE are to (1) advise the chairman on political matters, (2) decide major political issues, and (3) adjudge appointments to higher positions in the NIF.

The Central Executive Committee, whose responsibility it is to actually operate and carry out the policies of the NIF, is composed of ninety-three members at present, although it is planned to increase this membership to one hundred fifty.

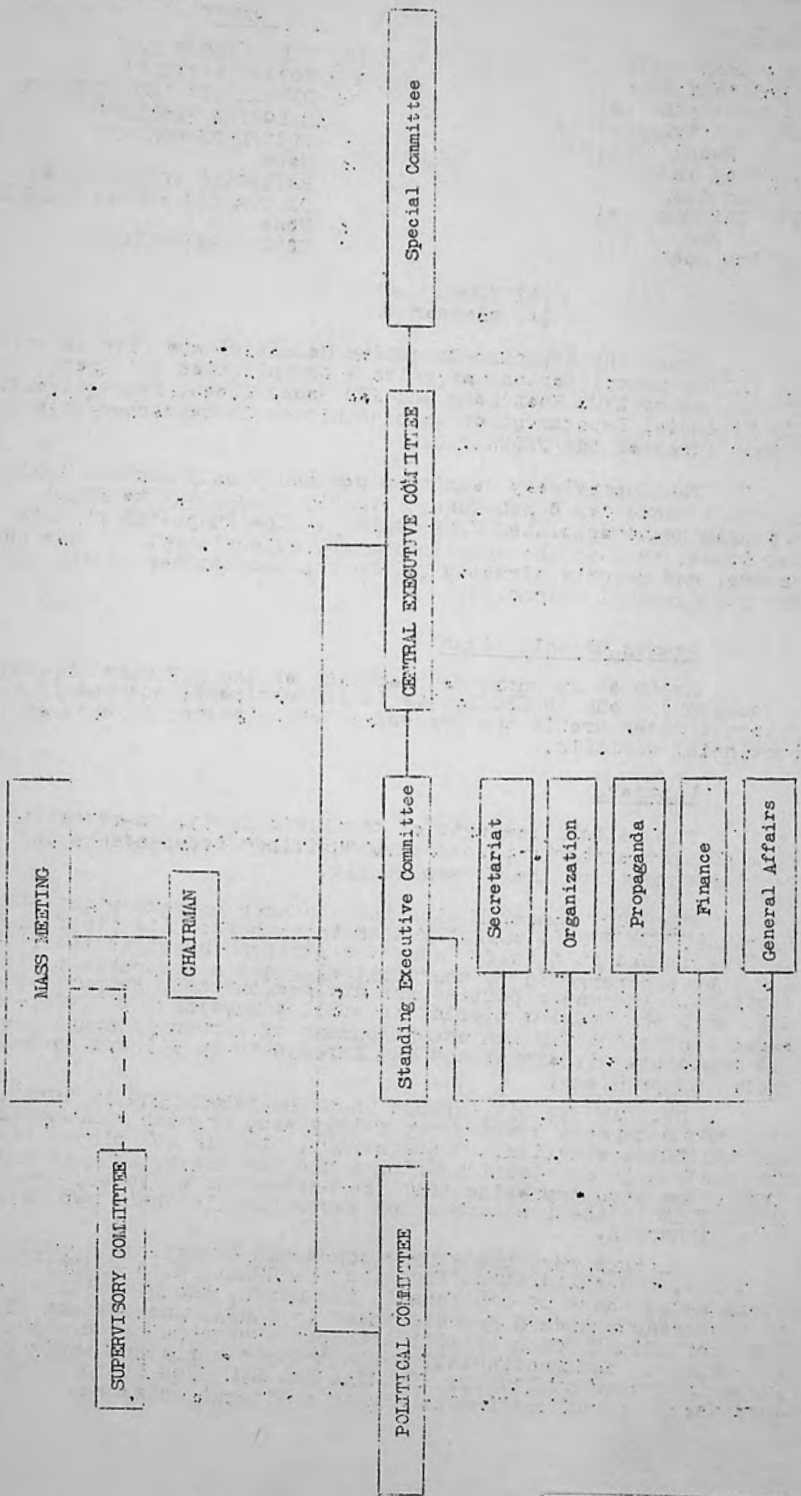
A Special Committee was established to attend to matters which are to some degree extraneous to the primary activities of the NIF. Provisions have been made for a foreign affairs and a financial sub-committee under the Special Committee, the function of the financial sub-committee being the development and the execution of fund-raising campaigns.

The Standing Executive Committee will, in reality, direct the execution of policies, since it is a permanent organization while the Central Executive Committee will be in recess much of the time. The Standing Executive Committee is composed of the following fifteen persons (NOTE: The five electors included themselves in this body):

STANDING EXECUTIVE COMMITTEE

<u>MEMBER</u>		<u>PARTY</u>
KIM Boong Choon	{*}	NEW PROGRESSIVE
TCH'EI Dong O	{*}	None
LYUH Woon Hong	{*}	SOCIAL DEMOCRATIC
SONG Nam Hyun		None
TCH'WI Suk Chang		None

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MEMBER

YANG Soon (*) (x)
 LEE Choong Keun
 YOO Suk Hyun (x)
 SUNG Tai Kyung (x)
 CHANG Kwong (x)
 BAI Sung Yong
 BAK Eun Sung
 KWON Tai Suk (x)
 SIN Ki Ern (*)
 KIM Yak Soo (*)

PARTY

INDUSTRIOUS MASS
 KOREAN FARMERS'
 DEMOCRATIC INDEPENDENCE
 LABORING PEOPLES'
 SOCIAL DEMOCRATIC
 None
 PATRIOTIC WOMENS ASSOCIATION
 DEMOCRATIC KOREAN INDEPENDEN
 None
 KOREAN REPUBLICAN

(*) KILA
 (x) elector

Under the Standing Executive Committee are five departments, the most important of which - Organization and Propaganda - are headed by LYUH Woon Hong and KIM Boong Cheon, respectively. The Financial Department of this committee is concerned with actual expenditures of the FEDERATION.

The Supervisory Committee now has twenty members (thirty planned) headed by O Hah Yung, formerly consultant to RHEE's GHQ and prominent, appointed KILA member. The functions of this committee, are, as the name indicates, supervisory. It has no control and reports directly to the representatives of the mass meeting (general assembly).

Branch Organizations

As of 08 January, four offices of the NIF were already established - one in SEOUL, two in its environs, and one in INCHON. Branch offices are in the process of organization in each of the provincial capitols.

Platform

The salient features of the NIF's lofty, un-revealing platform are the emphasis placed on a "unified" independence and the "enlightenment" of the Korean people.

COMMENT Compared with the stronger extreme rightist organizations, the NIF is woefully weak in numbers; its platform is not explicit; and it totally lacks the strength supplied the rightist cause by an energetic "youth" following and a favorable police attitude. Its major parties are divided in their support of the NIF, with the leftist dissidents still demanding the Soviet- proposed conditions for the establishment of Korean independence: (1) immediate withdrawal and (2) Koreans to be allowed to solve their own problems.

Dr. KIM Kyu Sik, around whom the FEDERATION is built, admits that the moderates could not possibly win, or even compete in, a South KOREA election. Consequently, the NIF has placed its hopes for success in an election which would include both North and South KOREA, the strategy being that the extremists would support the FEDERATION if the pressure which keeps them in their own factions were withdrawn.

In this way, the FEDERATION seeks to achieve a political, economic, and cultural unification of KOREA. With a disproportionately large share of scholars in its ranks, the NIF will endeavor to encourage a modern "renaissance" in KOREA, and instead of "democratizing" KOREA it will attempt to "Koreanize" democracy by pointing out the manifestations in today's world and their counterparts in Korean antiquity. Erudite Dr. KIM thus hopes to see the ascendancy of rationalism in Korean political thinking.

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3. WAR POTENTIAL (Secret)a. Surrendered and Disarmed - No Change: 179,276

<u>Progress of Repatriation</u>	<u>This Period</u>	<u>To Date</u>
<u>Japanese Civilians Arriving from</u> <u>N of 38° N KOREA, CHINA and MANGHURIA</u>	0	288,506
<u>Japanese Evacuated to JAPAN</u>	0	883,576
<u>Total Koreans Returning</u>	720	2,067,091
<u>Total Repatriates Moves Since 15 August 45</u>		2,953,260

c. Koreans Returned to KOREA Attempted Illegal Entry to JAPAN 21,758d. Report on New Korea Company (Unclassified)

A net profit of 1,268,290,332.63 won, after deduction of taxes, was made by the New Korea Company during the period August 09, 1945 through March 31, 1948. This money will be used for further repair and reclamation of New Korea Company lands and the purchase of fertilizer and other farm supplies.

A preliminary profit statement for the period ending three months from now was made possible because the income of the company has already been earned and the expenses already encumbered. The statement included the following figures:

INCOME	2,714,657,241.66 won
EXPENSES	<u>1,008,215,619.30</u>
NET PROFIT, BEFORE TAXES	1,706,441,622.36
TAXES	<u>438,151,289.73</u>
NET PROFIT, AFTER TAXES	1,268,290,332.63 won

The income of the company, springing mainly from the rentals of rice lands, is supplemented by small amounts from other New Korea Company properties, which include orchards and various industrial enterprises. Although the New Korea Company bases its rents on the low legal price established for rice - a price much lower than the free market price - the company buys its materials, labor and other commodities in the free market. Company officials attribute the fact that the company has made a profit of 170 won for every 100 won spent, despite the inflationary prices, to the efficiency and hard work of company employees.

Expense figures in the statement revealed that amounts have been spent to increase the production of farm products, as follows: 255,000,000 won for land reclamation and repair; 255,000,000 won for agricultural production expenses and material; and 273,000,000 won in salaries and travel expenses for the thousands of New Korea Company employees, in their land management and grain collection duties.

Unlike its predecessor, the Oriental Development Company, which used imperialistic methods of exploitation, the New Korean Company is working for the good of the individual farmer, his family, and his land. All company profit will be used for the repair and reclamation of farm lands and to increase South KOREA's food production next year. Large amounts of money will be spent for the purchase of fertilizer, insecticides, tools, improved seeds and spray materials.

c. Rice Collection Nears Completion (Unclassified)

Rice Collection in South KOREA was 96.29 percent complete as of 09 January. On the same date last year, collections were only 50 percent complete as the result of strong leftist opposition.

The following table, compiled by the National Food Administration, shows a break down in the suks of rice purchased by the Provincial Food Service as of 09 January 1948.

<u>PROVINCE</u>	<u>QUOTA</u>	<u>PURCHASED</u>	<u>PERCENTAGE</u>
SEOUL	2,000	1,994	99.9
KYONGGI DO	955,000	968,127	101
CHUNGCHONG PUKTO	185,000	223,003	117.5
CHUNGCHONG NAMDO	670,000	657,475	98.4
CHOLLA PUKTO	920,000	709,970	77.3
CHOLLA NAMDO	820,000	811,418	98.9
KYONGSANG PUKTO	800,000	762,260	95.2
KYONGSANG NAMDO	710,000	738,802	104.05
KANGWON DO	80,000	87,727	109
CHEJU DO	4,000	4,019	101
Total	5,156,000	4,964,795	96.29

COMMENT: The near completion of the collection and the announcement of Executive Order #11 which now permits the free transportation of rice in areas which have completed their rice collection quota, had a profound effect upon blackmarket rice prices which averaged 700 yen per small mal in the SEOUL area, a drop of 120 yen for the week.

4. PSYCHOLOGICAL (Restricted)a. The Press

The Korean press was primarily concerned with the reactions of political parties and leaders to the U.N. Commission, which arrived in SEOUL on 08 January.

Reports of interviews with party spokesmen and editorial comment were consistent with party lines. Leftist papers expressed their unqualified rejection of the U.N. Commission. Neutral papers appeared to be genuinely in hope of success by the U.N. Commission but stated, with apparent reluctance, that the probable Soviet boycott of the Commission makes success in achieving "a unified independence" impossible. The extreme rightist press consistent in its response to the declarations of RHEE and KIM Koo, "joyously welcomed" the U.N. Commission on behalf of "our 50,000,000 Korean people."

5. SCIENTIFIC

Negative

6. TOPOGRAPHIC

Negative

7. SUBVERSIVE (Confidential)

a. Sabotage

One incident of apparent sabotage occurred during the period. 7th Division reports that communications were disrupted in the KAESONG (950-1690) area on 04 January when the insulation from a telephone line was torn away and the exposed wires twisted together.

COMMENT: Considerable difficulty has been experienced with telephone lines. These provide an easily accessible source of wire and numerous thefts have occurred. Obvious sabotage, such as reported here, is relatively rare.

b. Espionage

Two possible leads to espionage agents have been received. One report indicates that the NORTH KOREA LABOR PARTY has sent agents and their families to South KOREA to set up small trading companies, the proceeds of which will be utilized to support the net in South KOREA. Another report indicates that training courses in North KOREA are based on future invasion of South KOREA's industry and utilities by trained agents whose mission will be to disrupt such installations upon signal from North KOREA.

COMMENT: Although these leads are elusive, continual repetition of such reports and the results of investigations have indicated that both in part, are based on fact. Trade, which in North KOREA is controlled by the PEOPLE'S COMMITTEE, is being utilized as a source of funds both for pay of agents and for the support of communist party activity in South KOREA. Infiltration of industry on sabotage missions on the other hand, has been limited. Actually such a step is not essential. The NORTH KOREA PEOPLE'S COMMITTEE, through its control of electric power, already is able to hamstring South KOREA's industry at will.

A confidential CIC informant reports the alleged presence of one CHOO Ho Shuk in South KOREA as an espionage agent. CHOO was formerly a radio propagandist for the Japanese and more recently has been acting in a similar capacity for the Soviets in North KOREA, broadcasting anti-U.S. propaganda. According to the informant CHOO is now working for a newspaper, disseminating communist propaganda against the American occupation and playing up the Soviet regime in North KOREA.

COMMENT: Trained propagandists of this type are responsible for the same distorted verbosity which emanates daily from Radio PYONGYANG. It must be acknowledged that the Soviets have been significantly successful for the past thirty years in the effective use of propaganda even to the extent of subjugating their own people. The resulting tyranny over the minds of men has stood them well during their occupation of North KOREA, in which they capitalized on the psychological frustration of an oppressed people and substituted a new variety of state feudalism.

The dispatch of such agents as outlined above is a relatively common practice and enables the Soviets to aid their South Korean satellites in the use of the propaganda weapon.

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