

PART I  
SOUTH KOREA

From: 041200/I June 48  
To : 111200/I June 48

Headquarters, USAFIK  
Seoul, Korea  
11 June 1948

No. 143  
Maps: KOREA, 1,250,000  
East ASIA, 1/1,000,000

A. ARMED FORCES

1. Strength (Secret)

Police:	34,900
Constabulary:	55,061 (including 25,932 recruits)
Coast Guard:	2,776 (including 132 cadets)

2. Operational Activity (Confidential)

a. Border Incidents

On 27 May a member of the NATIONAL SOCIETY FOR THE ACCELERATION OF KOREAN INDEPENDENCE was kidnapped from YONGTONG (1072-1696) by members of the North Korean Constabulary. (Police report)

At 021740 June 15 North Korean Constabulary entered South KOREA near UNDONG RI (840-1697) and abducted one South Korean woman. (B-3)

At 040900 June five North Korean Constabularymen abducted 21 South Korean farmers near (900,5-1697.6). (B-2)

At 050750 June a South Korean farmer was shot by a Soviet soldier near (854.4-1697.6). (B-2)

At 051200 June six North Korean Constabularymen violated the parallel in the vicinity of (1090-1696) and fired on South Korean police. One South Korean was wounded. (B-3)

On 05 June North Korean Constabularymen opened fire on a South Korean police patrol at YULNUN NI (1089.3-1696.3). One policeman was killed. (B-2)

During the night of 06-07 June three Soviet soldiers accompanied by three or four North Korean Constabularymen raided the village of SUNNOCO (1009.5-1696.5) and kidnapped three women. (C-3) In retaliation a group of South Korean railway police raided the village of HAMBOCCHI (1008.2-1697.3) at 090500 June. In this raid three NKC were killed and one wounded. In addition 2 North Koreans were kidnapped. (B-2) At 091000 June the NKC, having received reinforcements, raided SUNNOCO looking for policemen. Finding none the NKC abducted one South Korean. (B-2)

COMMENT: No Americans were attacked this week, possibly as a result of letters dispatched to the Soviet Commander on 29 May and 02 June concerning attacks on Americans. However, answers to the letters have not been received.

The number of incidents reported this week (9) is the same as that reported last week, which was the highest for 1948. This week's reports include the first official report of South Korean retaliation.

B. CURRENT INTELLIGENCE1. National Assemblya. Proceedings

At the 08 June session the National Assembly heard that the Constitution Committee had approved Articles 1 to 7, Section I of the Constitution, but that ten days more would be required to complete the draft. The Constitution and the House Rules Committees reported that they had appointed groups composed of lawyers and specialists in various fields outside the Assembly to advise and counsel them.

At the 10 June session the Assembly adopted the House Rules presented by the Committee on Rules, and at the 09 June meeting RHEE announced his appointment of Dr. Heon KIM, defeated candidate for a seat in the Assembly, to the Assembly Liaison Committee.

COMMENT: A major encounter can be expected if the Constitutional Committee submits a draft divesting the President of power and investing it in a Premier and Cabinet. RHEE intends to run the country, but the HANKOOKS plan to control him by adopting a parliamentary form of government. This issue should reveal the real line-up of party lines and strengths, previously only estimated.

The KIM appointment, arbitrary and in disregard of some Assembly members' respect for parliamentary procedure, illustrates why the HANKOOKS seek a strong cabinet in the Korean government.

b. Formation of "Clubs"

On 01 June moderates and non-NSAKI, non-HANKOOK rightists in the National Assembly organized the "Six-One Club," so named in recognition of the date of its formation. Approximately fifty-seven of the representative in the National Assembly who ran as independents in the election were invited to a SEOUL restaurant to form the organization. Only thirty-two representatives attended, however.

CHO Bong An, former INCHON communist, and KIM Yak Soo, a moderate rightist who served in KILLA, are the leaders of the "Six-One Club." The "Club," it is alleged, was organized for the purpose of concentrating the strength needed to cope with the HANKOOK DEMOCRATIC PARTY and the NATIONAL SOCIETY FOR THE ACCELERATION OF KOREAN INDEPENDENCE.

On the following day, 02 June, the SAM IL, or March First, Club was formed. This one was organized by SHIN Ik Hi (NSAKI) and LEE Chong Chun (UYMP) for the purpose of consolidating the strengths of the NATIONAL SOCIETY and the UNITED YOUNG MEN'S PARTY. Members of this "Club," reportedly numbering about forty representatives, vow to keep alive the independence spirit which was demonstrated on 01 March 1919 and which, according to RHEE, was the seed of the future government (W/S #142, Part I, B, 1, b).

Three other "Clubs" are reported to be in the process of formation.

1. The MINU (Friends of the People) Club, sponsored by YUN Suk Koo, former KILLA member, and some "independent" representatives from KYONGSANG-PUKTO. The purpose of the "Club" is to achieve the unification of KOREA.
2. The Young Men's Club, supported by approximately 20 members of the National Assembly who are under forty years of age.
3. The HANKOOK DEMOCRATIC Party "Club," including HANKOOK and some "independent" representatives in the National Assembly.

COMMENT: This formation of "clubs" by groups within the National Assembly having a common program or affiliation is apparently an attempt by Assemblymen to create cliques to act as pressure groups in forcing the adoption of certain measures in the National Assembly. As yet, the "Clubs" have had little time or opportunity to demonstrate their strength.

## 2. Pro-JAISOHN Movement

Numerous elements in and out of the National Assembly reportedly are attempting to organize a movement supporting Dr. Philip JAISOHN (SAW Jai Pil), political advisor to SKIG, as president of the future government.

Outside the Assembly, CHOI NOUNG CHIN (Danny Chay), who was disqualified in the election race with RHEE, is one of the more active backers of the "draft JAISOHN" campaign. In the Assembly, the "8-1 Club" (see par B, 1, b) is also behind the movement. (B-2)

COMMENT: The aim of the movement appears to be to defeat RHEE by promoting JAISOHN. Protagonists reason that aged JAISOHN will live long enough to aid in the defeat of RHEE. The possible ill effects, on Koreans, are JAISOHN's U.S. citizenship are discounted by his backers, since it will be publicized that he left KOREA to save his life and became an American citizen to remain in the UNITED STATES. There is no indication as to whether the backers have considered that the Soviet propagandists will seize on JAISOHN's American citizenship as clear proof of American imperialistic designs.

## 3. Resignation of AHN Chai Hong

AHN Chai Hong submitted his resignation as Civil Administrator in the South Korean Interim Government to Major General William F. DEAN, the Military Governor, on 01 June 1948. General DEAN accepted the resignation which became effective on 08 June. At present, there is no plan to name a successor.

In his letter of resignation AHN stated that he believed that this was the "proper time" to leave the top SKIG post which he has held since February 1947. He expressed regret that he had not resigned earlier and that the coming of the United Nations Temporary Commission on KOREA and the general election in South KOREA further delayed the date of his resignation.

AHN asserted that his salient ambition — and failure — during the occupation was to unify the Rightist and Leftist groups in KOREA. He also indicated that he was in accord with the efforts of KIM Koo and KIM Kyu Sik in attempting to achieve unification. Concluding, he said "experience of the past sixteen months does not allow me to participate in government affairs any longer."

COMMENT: AHN's face-saving adieu has been expected for some time. Rather than undergo inevitable expulsion when the new government begins functioning, AHN has chosen to emphasize his departure from SKIG as a voluntary act, induced, in part, by the hamstringing of authorities. ("I am... not in the position to solve anything. . . .")

While occupying the top Korean position in the Interim Government, AHN was one of the favorite targets for attacks upon SKIG policy by both political extremes. For this reason, like his fellow moderate, KIM Kyu Sik (self-termed "sacrificial goat"), AHN regards his tenure as Civil Administrator as a personal "sacrifice" towards "establishing a unified government."

AHN is a well-known newspaperman. Prior to his appointment as Civil Administrator he was president of the right-wing HAN SUNG ILBO (People's Daily). Probably AHN will resume his journalistic pursuits and from his

new vantage point hurl back the accusations of inefficiency and corruption which were once directed at him by the factions now dominating the National Assembly.

4. Civil Unrest

a. A Week's Violence In South KOREA

As in the past, most of this week's civil disturbances occurred in KYONGSANG-PUKTO. No right-wing disturbances were reported for the week.

A summary of acts of violence involving communists for the week as reported up to 11 June is as follows:

	Seoul	Kyonggi-Do	Kangwon-Do	Chungchong-Namdo	Chungchong-Pukto	Cholla-Namdo	Cholla-Pukto	Kyongsang-Namdo	Kyongsang-Pukto	Cheju-Do	Total
Attacks on towns											
Attacks on police		2			1				2	1	6
Police killed											
Communists killed						4			3		7
Rightists killed						2		1	3		6
Demonstrations, disorders, arson, & attacks on rightists			1			1	2		9		13
Attacks on government buildings											
Sabotage (communications)											
Sabotage (RR lines)											
Sabotage (roads)											
Sabotage (bridges)											
Sabotage (power)											
Strikes (labor)											
Strikes (schools)											

b. Delayed Reports Covering Last Week

Delayed reports of incidents that occurred during the week ending 04 June which were not carried in last week's summary (see Part I, B, 2, e., W/S #142) are:

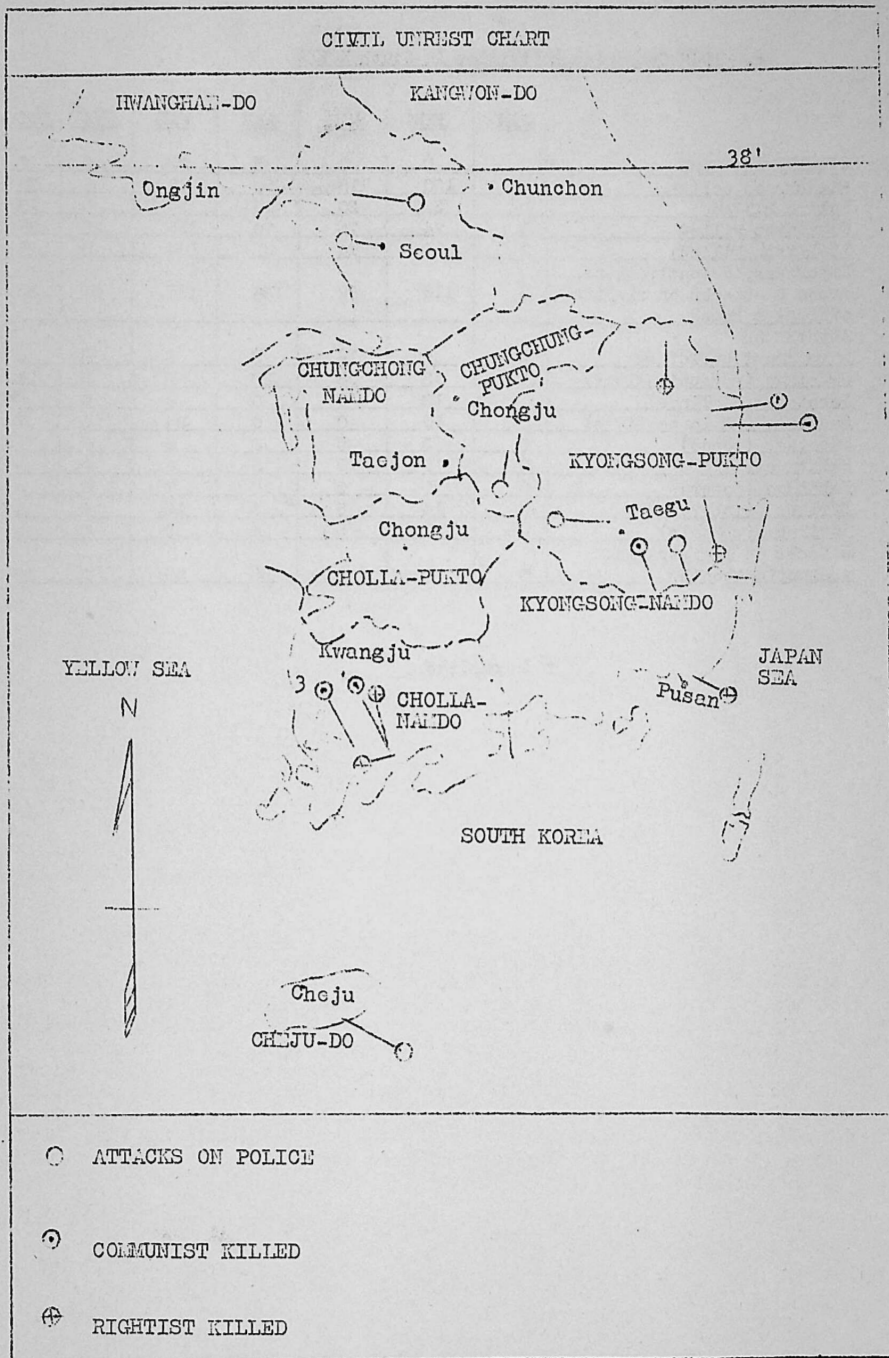
	Seoul	Kyonggi-Do	Kangwon-Do	Chungchong-Pukto	Chungchong-Namdo	Cholla-Namdo	Cholla-Pukto	Kyongsang-Namdo	Kyongsang-Pukto	Cheju-Do	Total
Attacks on towns										3	3
Attacks on police											
Police killed											
Communists killed						1		2	1	12	16
Rightists killed											
Demonstrations, disorders, arson & attacks on rightists		4	1	1	2		4	2	5		19
Attacks on government buildings											
Sabotage (communications)			1		2		1				4
Sabotage (RR lines)											
Sabotage (roads)							1				1
Sabotage (bridges)											
Sabotage (power)											
Strikes (labor)								1			1
Strikes (schools)											

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c. 1948 Communist Activities In South KOREA

	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUNE*</u>	<u>TOT</u>
Attacks on towns	0	0	0	5	73	3	81
Attacks on police	0	130	118	50	86	6	390
Police killed	0	33	20	15	34	0	102
Communist killed	1	74	75	70	155	23	399
Rightists killed	1	14	14	81	144	6	260
Disorders, demonstrations, arson & attacks on rightists offices & homes	6	118	69	126	196	23	538
Attacks on government buildings	0	9	14	2	9	0	34
Sabotage (communications)	14	53	58	32	57	3	217
Sabotage (RR lines)	1	12	6	0	8	0	27
Sabotage (RR locomotives)	0	50	0	0	24	0	74
Sabotage (roads)	0	13	5	2	5	0	25
Sabotage (bridges)	0	6	9	5	4	0	24
Sabotage (power)	0	0	0	0	7	0	7
Strikes (labor)	0	14	6	3	16	0	39
Strikes (schools)	0	7	5	4	9	0	25
Attacks on registration & election booths	0	0	0	58	68	0	126

\* Incomplete



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O. WAR POTENTIAL1. South Korean Economya. Economic Review

General: Two adverse developments in May, the lack of rain and the cut-off of electric power from North KOREA, have brought pressure on the unstable economic situation in South KOREA. Earlier prospects for a high yield of summer grains were dimmed by the shortage of rain, while many farmers, especially those on farms lacking irrigation, were experiencing difficulty in keeping rice seed beds watered. Fear that 1948 would be a poor year for cereals was the primary reason for the steep increase in the black market price of rice during May. Increases in non-food prices during May were relatively slight. Scattered rains in early June, while helpful, have as yet been insufficient to relieve the shortage of water for the rice crop.

Electric Power: Electric power production in South KOREA dropped from an average of about 65,000 KW during the week of 14 to 21 May to an average of less than 60,000 during the past two weeks. The shortage of water for hydroelectric plants and other operational difficulties were the chief causes for this decline. Strenuous efforts are now being made to increase the power output, and to utilize all available power as efficiently as possible. The burned out 20,000 KW transformer at the Chong Pyong hydroelectric plant was repaired and reinstalled, and efforts are being made to have it back in operation by 14 June. South KOREA is being combed for materials to hasten the rehabilitation of the Yongwol thermal plant. Although adequate statistics are not yet available, indications are that industrial production during the last half of May has been reduced to one third of the April level.

Workers are usually being kept on miscellaneous maintenance tasks when power is not available. However, unless minimum essential power can be supplied before long, most large vested plants will have to request government subsidies or lay off workers; this will disperse the present staffs of relatively well-trained workers. While Korean and American officials are trying to overcome the current production crisis, communist agitators are doing everything possible to exploit the unrest resulting from the power cut-off.

Finance: The Military Governor has approved 13 individual SKIG budgetary appropriations, totalling less than 4.5 billion won. Four additional budgets totalling about 4.3 billion won are ready for the Military Governor's signature and 12 others are awaiting action. The total SKIG expenditures since 31 March 1948 are 5,263 million won, excluding transportation, for which figures are not yet available; revenues have amounted to 2809 million won; leaving a deficit for the period of about 2454 million won. As much as 2 billion won of this deficit may be chargeable to the previous fiscal year. Bank of Chosun currency issue remained relatively steady during the last half of May, and as of 29 May was 28,644 million won. This is about 400 million won above the 1 May level, but about 5 billion won below the January 1948 peak.

The Summer Grain Collection Program: The National Food Administration is proceeding with plans to collect approximately 120,000 metric tons of 1948 polished summer grains, or the equivalent thereof, beginning late in June. Prices to be paid the farmers are approximately 10 per cent above the 1947 level, which in turn were about 10 per cent above the 1946 level. For the summer grain collection program there apparently will be almost no incentive goods for distribution to farmers during the collection period, except commercial fertilizer, sugar, and salt. It appears likely that some members of the newly elected assembly will endeavor to raise the price paid to the farmers (the present price is less than 20 per cent of the open market price for similar cereals).

National Land Administration: Sale of vested farm land continued at a rapid pace. Over 450,000 of the total of 588,000 vested farms of all types were sold by the end of May. Since land registry offices apparently are unable to record sales and transfer land titles as rapidly as the NLA is selling farms, and since many farms must be resurveyed before title transfer can be completed, an increasing number of sales are being made by binder agreement, pending later transfer of actual title to the farmer.

b. Cost-of-Living

Twelve of the 25 cost-of-living items\* checked in SEOUL showed increases of from one to 12% during the week ending 05 June. The biggest increase (12%) was in the price of firewood, indicating a large demand for this item as a substitute for electricity for cooking and lighting purposes. Grain increased roughly 7%, while textiles showed minor rises.

Only four items decreased. The price of salt showed the greatest drop 11%. Vegetables, now appearing in quantity in the markets, declined from 3 to 5%.

During the week beginning, 07 June the price of rice hit a new peak (930 won in SEOUL) since the beginning of the occupation. With the breaking of the drought by heavy rains at the end of the period the price in SEOUL dropped to 800 won.

\* Cost-of-Living Items Checked in SEOUL (31 May to 05 June)

± Polished rice	Matches	± Flannelette
± Barley	Beef	Kwang-nok (cloth)
Wheat	Pork	± Silk nyungju
± Soybeans	± Eggs	(cloth)
± Red beans	- Korean cabbage	± Silk sooksoo
.. Dried nyungtai (fish)	- Radish	(cloth)
± Soy sauce	- Rubber shoes	Cotton socks
± Sugar	± Laundry soap	± Anthracite
- Salt		± Firewood
		Charcoal
	± Increase	
	- Decrease	

Rice Price Summary (Monthly Averages)

Unit: 1 small mal (16.67 lbs.)

	JAN	FEB	MAR	APR	MAY	11 JUN
SEOUL	743	746	707	655	740	800
KANGWON DO	791	860	772	750	**	
EHUNGCHONG PUKTO	586	657	654	600	743	
CHUNGCHONG NAMDO	630	662	613	576	660	
KYONGSANG PUKTO	541	550	502	550	583	
KYONGSANG NAMDO	650	707	650	640	666	
CHOLLA PUKTO	608	608	550	566	703	
CHOLLA NAMDO	558	575	508	541	728	
CHEJU DO	733	680	617	740	**	
AVERAGE	648	676	619	659		

\*\* Data not available

Source - National Price Administration, SKIG

D. PSYCHOLOGICALThe Press

The majority of SEOUL newspapers continued to offer an abundance of advice to the new National Assembly. Most of the recommendations made by the editors were cloaked in profuse generalities.

The most pressing responsibilities of the National Assembly, according to the right-wing DAI DONG SHIN MUN (Great Eastern News) are the adoption of a "democratic constitution and the establishment of autonomous government." Rightist CHOSUN ILBO (Korean Daily News) asserted that the Assembly's most crucial problem is "to put the right persons in the right places regardless of personal or party differences." Second in importance, stated the CHOSUN ILBO, is the creation of an armed force in order to prevent a civil war and achieve national unification. Secondly, it was the opinion of the editor that the Korean people could "unite easily" because the history of KOREA is not marked by numerous internecine crises such as occurred in other nations and the people of North and South KOREA can live at peace with each other. Thirdly, the new government must accept assistance from the UNITED STATES. Speculation that help from AMERICA would mean subjugation of KOREA is erroneous, the editor asserted, since FRANCE, ENGLAND, GERMANY and JAPAN are receiving U.S. aid, and none of these countries fear the loss of independence by accepting such aid; the SOVIET UNION, after the revolution, welcomed U.S. technical and material aid for the stabilization of her economy.

KYENG HYANG SHIN MUN, a right-wing, Catholic organ, emphasized unification as the foremost task of the Assembly. This newspaper said that unification could be accomplished if North Korean authorities permitted the holding of a free election to furnish the representatives to fill the one hundred seats still vacant in the National Assembly. But, since the SOVIETS insist upon rejecting such a plan for North Korean participation in the national government, provisions for unification should be set forth in the new constitution. The editorial also contained the gratuitous insertion that the 10 May election proved that neither KIM Koo nor KIM Kyu Sik qualifies as leaders of the South Korean people.

In contrast, moderate right-wing MIN CHOO ILBO (Democratic Daily News) credited the PYONGYANG Conference with laying the groundwork for unification and that KIM Koo and KIM Kyu Sik, the "real patriots," have provided "the light which shines on the path of the people."

Communist-line newspapers gave elaborate play to a PYONGYANG Radio announcement of 08 June which stated that General KOROTKOV (former) commander of Soviet forces in North KOREA had returned to the USSR along with members of his staff and that his place had been taken by General MERKULOV. This change in command, leftist newspapers implied, presages the withdrawal of Soviet troops, in accordance with the request formulated at the North-South Conference in PYONGYANG. (See Part II, paragraph 1.)

E. SABOTAGE AND ESPIONAGE

A 14 year old boy apprehended in MAEPYONG NI (1080-1680) confessed that he had been sent to South KOREA by a North Korean Constabulary officer to gather information concerning South Korean police stationed along the 38th parallel.