

PART I
SOUTH KOREA

From: 181200/I June 48
To : 251200/I June 48

No. 145
Maps: KOREA, 1/250,000
East ASIA, 1/1,000,000

Headquarters, USAFIK
Seoul, Korea
25 June 1948

A. ARMED FORCES

1. Strength (Secret)

Police: No change
Constabulary: 62,056 (including 23,891 recruits)
Coast Guard: 2,990 (including 132 cadets)

2. Operational Activity (Confidential)

a. Border Incidents

On 11 June 10 North Korean Constabularymen came south of the 38th parallel and attacked the CHANGKOK (917.9-1696.4) police sub-station, wounding one police lieutenant. (C-3)

On 18 June 2 North Korean constabularymen violated the parallel and attempted to kidnap a farmer at (1166.0-1697.9). (Police Report)
South Korean police investigated and were fired upon by the NKC and a Soviet patrol. (B-3)

On 18 June 7 North Korean Constabularymen crossed the parallel near WANDAE RI (1120.3-1696.6). South Korean police arrived and the NKC withdrew. There was no firing. (Police Report)

At 191015 June 2 North Korean Constabularymen fired on an American patrol at (833.9-1698.2). (B-2)

At 221600 June 1 North Korean Constabularyman and 2 other Koreans fired on a U.S. patrol at (1020.0-1695.5). (B-2)

At 230130 June about twenty North Korean Constabularymen attacked the KO EUP (930.1-1696.1) police station. The action lasted about two hours but there were no casualties. (C-3)

At 232300 June about 30 North Korean Constabularymen attacked the CHANG KOK (917.9-1696.4) police sub-station. The fire fight lasted about two hours. (C-3)

At 250340 June 5 NKC entered the village of KOTAN NI (1068-1695), about 1800 yards south of the parallel, and killed the local chairman of the National SOCIETY FOR THE ACCELERATION OF KOREAN INDEPENDENCE. (C-3)

COMMENT: The number of border incidents reported during this week, includes 3 which occurred during the preceeding period. The total during the preceeding period therefore, was 8. The Commanding General's letters of 29 May and 02 June to the Soviet Commander concerning attacks on Americans have not yet been answered. Meanwhile, a letter has been received from the Soviet Commander alleging 17 violation of the parallel by United States and South Korean personnel from 03 May to 29 May.

b. Constabulary Action on CHEJU-DO

The constabulary on CHEJU-DO continues its mopping up activities, apprehending 93 rioters or suspected rioters and confiscating 3 rifles. (B-2)

B. CURRENT INTELLIGENCE1. National Assemblya. Proceedings

The National Assembly, met four times during the period, two of the meetings being of less than 45 minutes duration. Major issues considered were: election of the Chairman of the Committee of the Whole; appointment of chairmen and vice-chairmen of the nine Standing Committees; appointment of members to the Election Review Board; and the first reading of the draft constitution.

On 18 June an election for the Chairman, Committee of the Whole, resulted in the choice of Gen. LEE Chung Chun. Voting was by secret ballot, and no names were placed in nomination. Nevertheless, an immediate delineation between General LEE Chung Chun and the Reverend LEE Yun Yung (head of the CHOSUN DEMOCRATIC PARTY) indicated previous political agreements. Of 184 votes cast, General LEE received 93 and the Reverend LEE 80.

The General Secretary on 19 June announced the appointment of CHANG Myun and SU Soon Yung as members of the Election Review Board established to judge the validity of contested elections. These men will serve with two others appointed by the Military Governor and one other appointed by the Chief Justice.

By 21 June the chairman and vice-chairman of the following committees had been announced:

Legislative and Judicial	PAIK Kwan Soo
Foreign Affairs and National Defense	YUN Chi Yung CHANG Myun - vice chairman CHOI Yon Dong-vice chairman
Internal Affairs and Public Peace	SHIN Sung Kyun
Fiscal and Economic	KIM Do Yun
Industrial, Labor, and Agriculture	SUH Sang Il
Education and Welfare	CHU Ki Yong
Transportation and Communication	LEE Chong In
Qualifications	LEE Moon Won
Discipline	(To be announced at a later session)

Consideration of the draft constitution to the Committee of the Whole, scheduled for the 21 June session, was delayed long enough to enable Dr. RHEE to negotiate with the Constitution Committee and persuade them to eliminate the clauses to which he objected. The new draft dropped provisions for a cabinet and prime minister responsible to the Assembly and substituted provisions concentrating the executive powers in the president. The powers of the president, however, are limited by a requirement that he must have a majority vote of the cabinet in support of his executive decisions. The chief cabinet officer is to be called Prime Minister. With these changes made, the first reading of the draft constitution was conducted during the 23 June session in an open meeting of the National Assembly.

COMMENT: The election for Chairman of Committee of the Whole marked the first test of strength between parties and factions. It is known that HANKOOK DEMOCRATIC PARTY instructions to its 86 claimed members called for support of the Reverend LEE Yun Yung. The membership claim of the HANKOOKS appears to be partially substantiated by his 80 votes. The SAM IL CLUB and

INDEPENDENT CLUB votes appear to have been given to General LEE Chung Chun, a possible indication of sentiment in opposition to the HANKOOK DEMOCRATIC PARTY.

As has been previously noted, the principal conflict in the Assembly is not over who will be president, but over what powers he will have. The means or promises RHEE used to obtain changes in the constitution are not known.

b. Committees

The draft constitution approved by the Constitution Committee last week was reconsidered by the Committee on 21 and 22 June and presented to the National Assembly on 23 June.

The chairman of the Finance Committee announced the following sub-committees and sub-committee chairmen:

- | | |
|-----------------------------|-----------------|
| (1) Budget | CHUNG Hai Choon |
| (2) Money Circulation | O Taik Kwan |
| (3) Taxation and Monopolies | CHUNG Hyun Mo |
| (4) Foreign Trade | CHUNG Koo San |
| (5) General | KIM Yong Chai |

c. Factions and Parties

According to the CHOSEN ILBO 22 June, a joint conference of the SAM IL CLUB and the INDEPENDENT CLUB was held to discuss; (1) the constitution and (2) a merger of the two clubs. A merger was not effected, but each club appointed a five-man negotiation committee to consider further merger plans. It was noted that CHO Bong An, communist leader of the INDEPENDENT CLUB, was not present at this meeting. As was reported in W/S #144 (see par B, 1, c, 3.) the INDEPENDENT CLUB claims 52 members, but its core of approximately 20 KIM Koo, KIM Kyu Sik, and Communist supporters is probably the extent of its voting strength. It is believed that SHIN Ik Hi of the SAM IL CLUB is attempting to pull away non-leftist members of the INDEPENDENT CLUB, thereby strengthening SAM IL and undercutting CHO Bong An.

COMMENT: It should be noted that the INDEPENDENT CLUB is an anti-rightist club rather than a communist organization. It does, however, provide a haven for the leftist-inclined members of the Assembly.

d. Relations with UNTCOK

Members of UNTCOK have been invited to attend a meeting of the Assembly, which UNTCOK still has not formally recognized as a National Assembly.

e. Chinese Interest In the National Assembly

Chinese representatives in UNTCOK have expressed concern over the separation of KIM Koo and KIM Kyu Sik from the National Assembly. They have suggested that the UNITED STATES should have attempted to persuade the Koreans to agree among themselves to a division of seats so that KIM Koo and KIM Kyu Sik could become members. One Chinese representative suggested that it is still not too late for the Assembly to establish a bicameral legislature, intimating that U.S. authorities should suggest that this be done in order to make places for the two KIMs.

The Chinese have been informed that the UNITED STATES could not openly have held out seats in the National Assembly for anyone since to do so would have violated the principal of a free election.

COMMENT: The Chinese government has supported KIM Koo for many years both politically and financially. It is apparent that it feels that a KOREA which includes KIM Koo in the government would be more friendly toward CHINA.

2. Non-Communist Opposition

a. KIM Koo - KIM Kyu Sik Plans

Mr. LYUH Woon Hong, supporter of Dr. KIM Kyu Sik, reported on 18 June that Dr. KIM and Mr. KIM Koo would hold a meeting on 27 June to form the PATRIOTIC INDEPENDENCE MOVEMENT ALLIANCE FOR FREEDOM AND UNITY. This group would bring together, but not supercede, the KOREAN INDEPENDENCE PARTY, the NATIONAL INDEPENDENCE FEDERATION, and others. Included in their general purpose of carrying out the well-publicized program of KIM Koo and KIM Kyu Sik would be a plan to select delegates to proceed to the UN General Assembly in PARIS next September. Suggestions have been transmitted from Dr. KIM that the U.S. Command give safe conduct for another North-South Conference to be held in SEOUL. Intermediaries have been told that this is a matter for decision by the National Assembly.

3. Civil Unrest

Leftist-inspired violence was very limited this week and no reports were received concerning any rightist-inspired trouble.

a. Weekly Violence Summary

A summary of acts of violence involving communists for the week as reported up to 25 June is as follows:

	Seoul	Kyonggi-Do	Kangwon-Do	Cyangchong	Cyangchong	Pukto	Cholla Namdo	Cholla Pukto	Kyongsang	Hando	Kyongsang Pukto	Cheju-Do	Total
Attacks on towns											2		2
Attacks on police											1		1
Police killed													
Communists killed											1		1
Rightists killed						2	1						3
Demonstrations, disorders, arson, & attacks on rightists							2				1		3
Attacks on government buildings							1						1
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 18 June which were not carried in last week's summary (see Part I, B, 3, b., W/S #144) are:

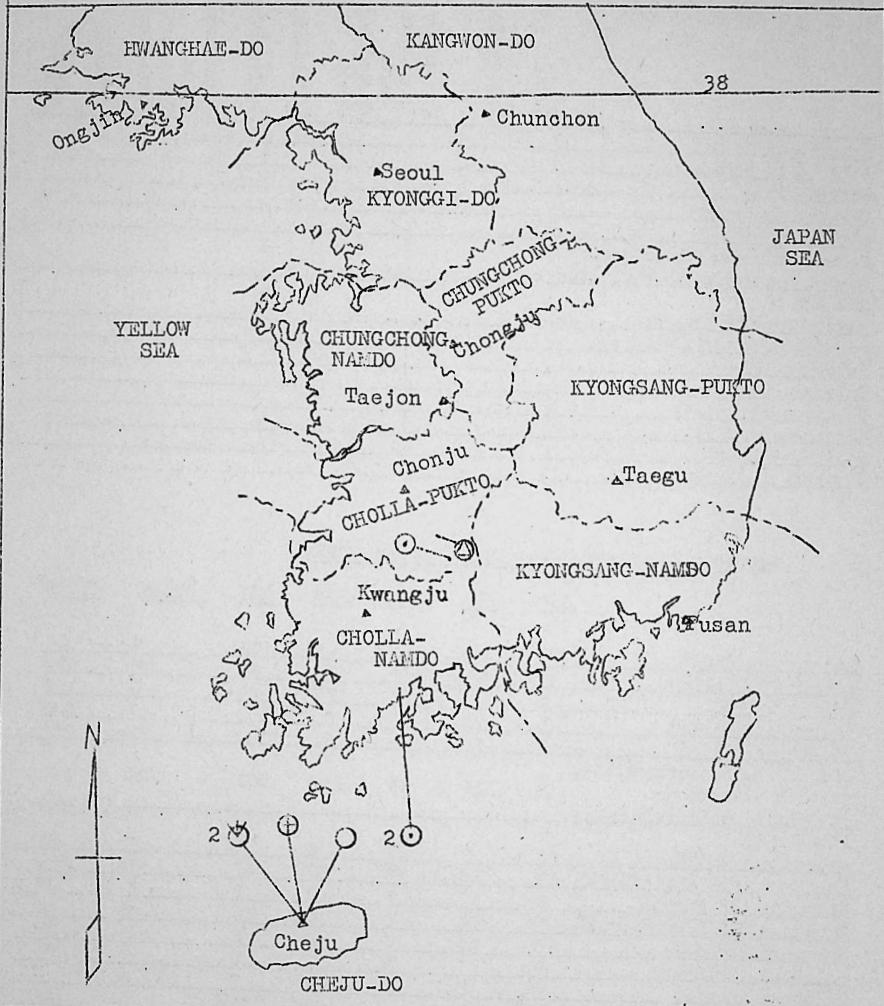
	Seoul	Kyonggi-Do	Kangwon-Do	Chungchong Pukto	Chungchong Namdo	Cholla-Namdo	Cholla-Pukto	Kyongsang-Namdo	Kyongsang-Pukto	Cheju-Do	Total
Attacks on towns											
Attacks on police											
Police killed											
Communists killed						1		3			4
Rightists killed								3	4		7
Demonstrations, disorders,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

c. 1948 Communist Activities In South KOREA

	JAN	FEB	MAR	APR	MAY	JUNE*	TOTAL
Attacks on towns	9	0	0	5	73	6	84
Attacks on police	0	130	118	50	86	8	392
Police killed	0	33	20	15	34	2	104
Communists killed	1	74	75	70	155	9	428
Rightists killed	1	14	14	81	144	33	287
Disorders, demonstrations, arson & attacks on rightists' offices & homes	6	118	69	126	196	32	547
Attacks on government buildings	0	9	14	2	9	2	36
Sabotage (communications)	14	53	58	32	57	5	219
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

CIVIL UNREST CHART



LEGEND

- COMMUNIST KILLED
- ⊙ RIGHTIST KILLED
- ⊕ ATTACK ON POLICE
- ⊖ ATTACK ON TOWN
- ⊠ ATTACK ON GOVERNMENT BUILDING

DECLASSIFIED
Authority: NND 745070

C. WAR POTENTIAL1. South Korean Economya. Economic Review

General: Heavy rains during the first half of June in all parts of South KOREA except in the southeast portion provided water urgently needed to prepare parched paddy fields for the transplanting of rice and to generate electricity. During early June continued dry weather had contributed to the rise in black-market prices of cereals (see W/S #144, C,2), and to the suspension of operation of all hydroelectric generating plants in South KOREA. However, later in the month an average of about 10 inches of rain fell in central KOREA, providing adequate water for transplanting rice on both irrigated and unirrigated fields. The important rice producing provinces of CHOLLA-NAMDO and CHOLLA-PUKTO received somewhat less rain than the central provinces. The drought remains acute in parts of southeastern KOREA. In general, the rains came too late to benefit the summer grain crops, and the late June summer grain production estimate appears likely to be below the May estimate.

National Land Administration: As of 19 June, the National Land Administration had sold about 476,000 farms, or about 81% of the total vested farms of all types.

Electric Power and Production: South KOREA's power generation dropped to an average of less than 50,000 KW for several days in early June, but subsequently, during the past week the output has increased to approximately the same as the 14-31 May average of about 60,000 to 65,000 KW, with peaks reaching as high as 75,000 KW. This improved output is the result of increased water for hydroelectric plants and of near-capacity operation of the JACOMA power barge. Generation of approximately 35,000 KW at the CHONGPYONG plant during the summer rainy season seems assured as repair of the burned-out 20,000 KW transformer is almost completed. The effect of the power cut-off by North Korean authorities on South KOREA production varies widely according to the industry and the location of plants or mines.

Mining and Industry: In May, coal production totalled almost 60,000 metric tons of anthracite and lignite (excluding 10,000 tons produced at YONGWOL for the operation of the thermal plant there), about 20% below the April output. The SANGDONG Tungsten Mine produced 90 metric tons of scheelite (60 % tungsten oxide) in May, 25% below the output of recent months. May production in 7 of South KOREA's 11 major textile plants remained at approximately the same level as in March and April. On the other hand, many industries, especially low priority plants which are heavy users of electricity, have closed down, and most plants are producing at less than 50% of the level of recent months. Continuing efforts to enable industry to utilize a larger portion of available power is meeting only partial success.

Finance: To date, the Military Governor has approved budgets totalling approximately 19.5 billion won for the fiscal year beginning April 1948. SKIG expenditures from 1 April to 15 June amounted to about 7.25 billion won. Revenues during the same period totalled slightly more than 4 billion won, making the total deficit for the period about 3.25 billion won.

Counting 2 billion won of the latter expenditures as chargeable to the previous fiscal year, the current rate of spending runs about 2.1 billion won per month as compared with the average monthly revenue of 1.63 billion won.

Currency circulation on 18 June mounted to 29,612 billion won, an increase of 938 million won since 29 May.

<u>b. 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 MANCHURIA</u>	0	288,529
<u>Japanese Evacuated to JAPAN</u>	30	884,063
<u>Total Koreans Returning</u>	1,793*	2,127,772
<u>Total Repatriates Moved Since 15 Aug. 45</u>		3,012,425
<u>c. Koreans Apprehended While Attempting</u> <u>Illegal Entry to JAPAN</u>	196	24,119

*Incomplete report

D. PSYCHOLOGICAL1. The Press - Editorial Analysis

SEOUL newspaper editors continued to concentrate on topics of chief interest to the public — the LIANCOURT incident, anti-Japanese themes, and the electric power situation. The topics were too good to drop but editors added little comment of significance not already advanced in previous discussions (see W/S #144 and #142, Part I, D).

On 22 June, the communist-sympathizing CHOSUM CHOONG ANG ILBO (Korean Central Daily) carried a long statement issued by the SOUTH KOREA LABOR PARTY in commemoration of the seventh anniversary of the day "the powerful Russian people roused themselves to action to defend their fatherland, freedom, peace and democracy."

In pure PRAVDA and Radio PYONGYANG (Part II, D, 2) fashion SKLP extolled the Soviet Army for "crushing GERMANY on the west and imperialistic JAPAN on the east." The UNITED STATES and ENGLAND were accused of having procrastinated in launching the offensive in western EUROPE. Despite this, said the statement, "the SOVIET UNION doggedly fought on to deliver the fatal blow to HITLER's forces.... and laid the foundation for freedom and peace." The Americans and British, on the other hand, have persistently refused to adhere to the CAIRO and POTSDAM declarations which were aimed at providing freedom for countries subjugated by the fascists and defeated by the glorious fighting men of the USSR, it was asserted.

The SKLP statement went on to repeat the time-worn charges that the "unilateral faithlessness of the UNITED STATES" brought the activities of the US-USSR Joint Commission to a standstill, and that the SOVIET UNION's "appropriate" plan for withdrawal was summarily rejected by the UNITED STATES. Having rendered a Soviet-styled airing of the contentions and grievances regarding the outcome and after-math of World War II, SKLP hailed "Generalissimo STALIN, the greatest leader" and urged the people to extend their "gratitude to the Soviet forces who liberated the Korean nation after forty-nine years of servitude."

2. Meeting of Middle-Road Newspapermen

AHN Chai Hong, former SKIG Civil Administrator (see W/S #143, Part I B, 2), and approximately twenty-five other newspapermen of non-extremist tendencies held a meeting in a SEOUL restaurant and decided to organize a club ostensibly for the purpose of improving Korean journalistic standards.

Later in the meeting, however, ex-Civil Administrator AHN and two other editors also initiated plans to begin a concerted press campaign against the HANKOOK DEMOCRATIC PARTY in order to reduce the HDP's influence in South Korean politics.

Temporary offices of the new organization will be located in the building which houses AHN Chai Hong's HANSUNG ILBO (Seoul Daily).

E. SABOTAGE AND ESPIONAGE

Negative.