

PART I
SOUTH KOREA

From: 021200/I July 48
To : 091200/I July 48

Headquarters, USAFIK
Seoul, Korea
09 July 1948.

No. 147

Maps: KOREA, 1/250,000
East ASIA, 1/1,000,000

A. ARMED FORCES

1. Strength (Secret)

Police: No change.
Constabulary: 54,611 (including 5,630 unsworn recruits and 448 cadets) Screening continues.
Coast Guard: No change.

2. Operational Activity (Confidential)

a. Border Incidents

On 01 July police raided the village of WOLCHON NI (820-1699) in an effort to apprehend communist elements of that village. After the police had entered the village about 30 North Korean Constabularymen cut off the police route of escape and started a fire fight. Police reinforcements arrived about 011900 July and 5 of the 6 police were rescued but the leader of the police group is missing. It is believed he was taken to North KOREA. The firing ceased about 012000 July. (B-2)

On 01 July 3 North Korean Constabularymen came south of the parallel to WON PYONG NI (1036-1696) and attempted to kidnap 3 South Korean policemen. Several shots were exchanged by the groups but no casualties were reported. (C-6)

At 020100 July South Korean police fired into the North Korean village of KYUSADONG (935.0-1697.5), apparently without provocation. About 50 rounds were fired into the town by the police without any fire being returned. (B-2)

COMMENT: The KYUSADONG incident demonstrates that some of the North Korean Constabulary aggression may be retaliatory.

b. Attacks on U.S. Personnel

At 302300 June an American sentry at the air field at CHEJU DO was found unconscious on his post. He claimed he had been struck by unidentified assailants. (A-1)

c. Constabulary Action On CHEJU DO

Heavy rains limited constabulary action to minor patrolling. (A-1)

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B. CURRENT INTELLIGENCE1. National AssemblyProceedings

The second reading of the "Constitution of Dai-Han Minkook" (Korean Democratic Republic) was completed on 07 July, whereupon the Assembly adjourned until 12 July to permit a polishing of the phraseology by the Constitution Committee, and preparation of organizational legislation. According to the Secretary General of the National Assembly, RHHE's announcement on 12 July of completion of the work of the Constitution Committee will serve as the required third reading.

The controversial articles mentioned in W/S #146 (Part I, B, 1) were accepted in the second reading in the following form. (An additional article, #19, was inserted in the Constitution, resulting in a change in the numbering sequence: The numbers in parentheses are those used in last week's summary.):

- (1) Article 57 (56): "Upon it is necessary to take urgent measures for the maintenance of public security and order in time of war or national emergency, the President shall have the right to issue orders having the effect of law or to make necessary financial dispositions; provided, however, that the President shall exercise such powers exclusively in case there is grave internal and external danger to the country or a catastrophe beyond human control. Such orders or disposition shall be reported without delay to the National Assembly for confirmation. If confirmation of the National Assembly is not obtained, such orders or disposition shall lose their effect, thereupon, and the President shall announce it without delay."
- (2) Article 69 (68): "The President shall appoint and remove the Prime Minister and the ministers, but the appointment and removal of the prime minister shall be approved by the National Assembly. The total number of ministers shall not exceed 15 and shall not be less than 8. No military personnel shall be appointed Prime Minister or minister unless he has resigned from active service."
- (3) Article 94 (93): "The National Assembly shall pass the government budget before the beginning of the fiscal year. In case the budget cannot be passed in time the Assembly shall establish a temporary budget for the first month of the fiscal year and the regular budget shall be passed within this interim period."

Article 59 (58) was not amended and reads as follows:

Article 59 (58): "The President shall conclude and ratify treaties, declare war, make peace, and receive and accredit diplomatic representatives of foreign countries."

The new Article, #19, was accepted on 05 July by a vote of 102 to 19 with 172 assemblymen present. It provides:

"Equality of men and women shall be the principle in marriage. The purity of marriage and health of the family shall be specially protected by the State."

(The entire Constitution will be reproduced and distributed by this office when it is available in final, adopted form. An analysis of the document is also in preparation and will be presented upon completion.)

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COMMENT: The quick adoption of the Constitution is attributed largely to an efficient system of action. Prior to debate, an assemblyman desiring amendments submitted his proposed changes along with the endorsement of ten or more other members. The proposed changes were then reproduced and distributed to all assemblymen before the session opened. The changes were placed on the agenda, and the speaker proceeded to call their sponsors to explain or defend them.

Arguments generally were dignified, orderly, and pointed. Among the chief causes of occasional contentions were: the name of the country; labor's share in the profits of enterprise; and the powers of the president.

It is also noteworthy that the obstructionism on the part of CHO Bong An, ex-communist, and the KIM Koo-KIM Kyu Sik sympathizers was of relative impotence.

2. UNITCOK

Mr. A. B. JAMIESON arrived in Seoul on 01 July to replace Mr. S. W. JACKSON as the Australian representative on the United Nations Temporary Commission on Korea (see W/S #146, Part I, B, 2). Mr. JAMIESON was Second Secretary of the Australian Commission in TOKYO. He is regarded by the Australians as an authority on the Far East.

3. JAISOHN Disclaims Political Ambitions

Dr. Philip JAISOHN, Korean-born U.S. citizen and advisor to SKIG, (see W/S #146, Part I B, 3) issued the following statement on 05 July:

"I have received numerous communications from different parts of KOREA asking me to run for President of KOREA and offering their support in case I run. While I deeply appreciate their kind thoughts, I have to inform them that I never was a candidate for the office, I am not now and will not be in the future. Even if the position is offered I will not accept it. I am a citizen of the UNITED STATES and intend to remain so."

4. North - South Representatives Still Confering - PYONGYANG

On 08 July Radio PYONGYANG announced that a "North - South Joint leaders' Conference" was held from 29 June to 05 July "with the participation of PAK Houn Yong, DEMOCRATIC PEOPLES FRONT; HONG Myong Hi, chairman of the DEMOCRATIC INDEPENDENCE PARTY; LEE Yawng Sam of the LABORING PEOPLE'S PARTY; and KIM Il Sung of the NORTH KOREA PEOPLE'S COMMITTEE." PYONGYANG Radio stated that the conferees are "making plans for the unification and independence of our mother country." (See Part I, W/S #133 - 138.)

The announcement concluded with a three-fold "plan" for achieving unification and independence: (1) if the so-called National Assembly, which was formed illegally, establishes a separate government "we will never recognize it but crush it decisively." (2) a "People's Council" will be created by a general election organized by the North - South political leaders; and (3) the "Supreme People's Council" and the central government shall demand a withdrawal of foreign armies from KOREA immediately.

5. Civil Unrest

As previously stated (see Part I, B, 2, W/S #144), communist elements in South KOREA are still reorganizing after their failure to disrupt the 10 May election.

The seasonal anti-grain collection campaign has started. Thus far, there have been only two physical attacks on the grain collection teams, but a flood of handbills, posters, and speeches have been disseminated.

Rightist violence broke out in two incidents: At ONGJIN (840-1680) friction between the Northwest Young Men's Association and the United Young Men's Party resulted in beatings and counter-beatings. In SEOUL, the Great Korean Labor Alliance beat members of the Korean National Youth Corps who had taken down the Alliance's labor posters.

COMMENT: Grain collections, traditionally unpopular among rural Koreans, have always served as opportunities for communist exploitation.

This week, according to reports received by the end of the period, has been the quietest week since February 1948. The Police have been active in KYONGSANG PUKTO and CHOLLA NAMDO, usually the areas in which communists are most active, and it is probable that in these two provinces the communist terrorists have again gone underground.

a. Weekly Violence Summary

A summary of acts of violence involving communists for the week as reported up to 09 July is as follows:

	Seoul	Kyonggi-Do	Kangwon-Do	Chungchong-Pukto	Chungchong-Namdo	Cholla-Namdo	Cholla-Pukto	Kyongsang-Namdo	Kyongsang-Pukto	Choju-Do	Total
Attacks on towns											
Attacks on police											
Police killed											
Communists killed											
Rightists killed			1			2			1		4
Demonstrations, disorders, arson, & attacks on rightists			1			2			1		4
Attacks on government buildings											
Sabotage (communications)											
Sabotage (RR lines)		1									1
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 02 July which were not carried in last week's summary (see Part I, B, 3, a, W/S #146) are:

	Seoul	Kyonggi-Do	Kangwon-Do	Chungchong-Namdo	Chungchong-Pukto	Cholla Namdo	Cholla Pukto	Kyongsang-Namdo	Kyongsang-Pukto	Choju-Do	Total
Attacks on towns											
Attacks on police							2		1		3
Police killed							1				1
Communist killed							7	1	4	2	14
Rightists killed							4		2	1	7
Demonstration, disorders, arson, & attacks on rightists			4			3			4	1	12
Attacks on government buildings							1				1
Sabotage (communications)											
Sabotage (RR lines)											
Sabotage (roads)											
Sabotage (bridges)											
Sabotage (power)											
Strikes (labor)							1				1
Strikes (schools)											

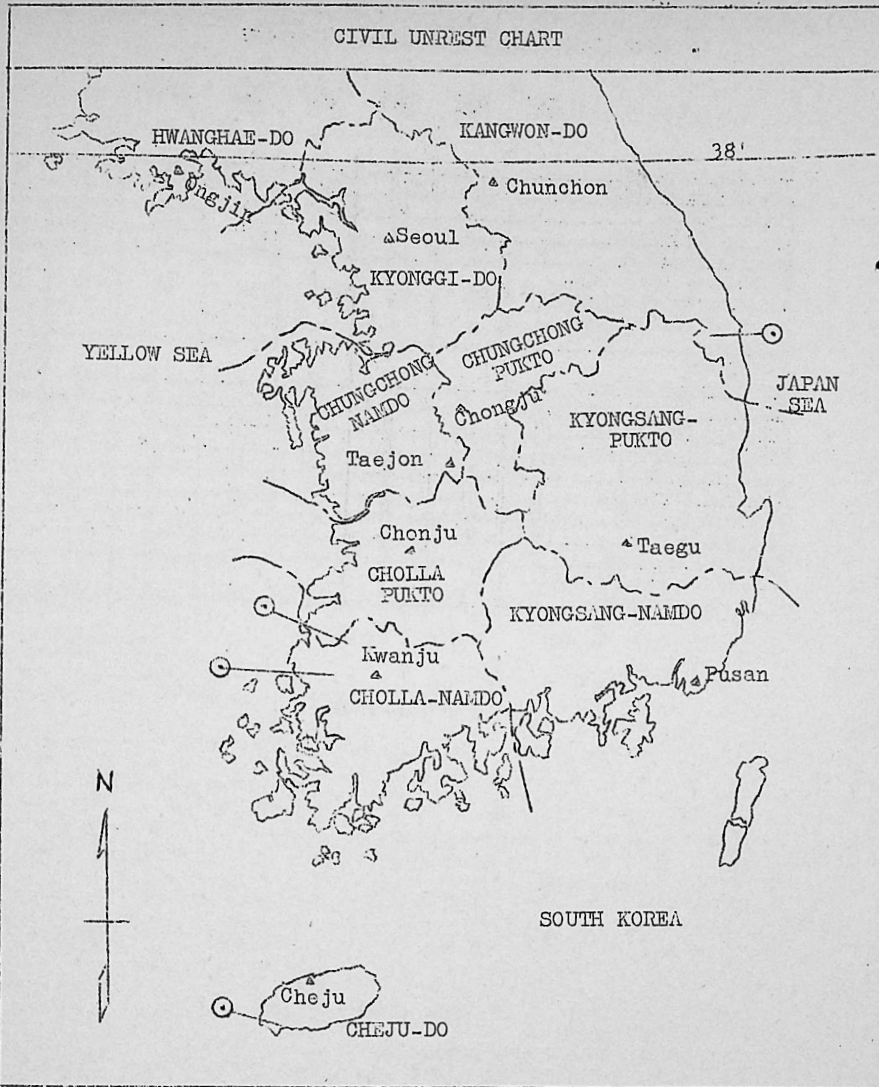
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c. 1948 Communist Activities in South KOREA

	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUNE*</u>	<u>JULY*</u>	<u>TOTAL</u>
<u>Attacks on towns</u>	0	0	0	5	73	9	0	87
<u>Attacks on police</u>	0	130	118	50	86	11	2	397
<u>Police killed</u>	0	33	20	15	34	4	1	107
<u>Communists killed</u>	1	74	75	70	155	81	4	460
<u>Rightists killed</u>	1	14	14	81	144	51	7	312
<u>Disorders, demonstra- tions, arson & attacks on rightists' offices & homes</u>	6	118	69	126	196	81	8	604
<u>Attacks on government buildings</u>	0	9	14	2	9	3	0	37
<u>Sabotage (communication)</u>	14	53	58	32	57	7	0	221
<u>Sabotage (RR lines)</u>	1	12	6	0	8	0	0	27
<u>Sabotage (Locomotives)</u>	0	50	0	0	24	0	1	75
<u>Sabotage (roads)</u>	0	13	5	2	5	0	0	25
<u>Sabotage (bridges)</u>	0	6	9	5	4	0	0	24
<u>Sabotage (power)</u>	0	0	0	0	7	0	0	7
<u>Strikes (labor)</u>	0	14	6	3	16	1	0	40
<u>Strikes (schools)</u>	0	7	5	4	9	0	0	25
<u>Attacks on registration & election booths</u>	0	0	0	58	68	0	0	126

* Incomplete

CIVIL UNREST CHART



LEGEND

⊙ RIGHTIST KILLED

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C. WAR POTENTIAL1. Economica. General

Electric Power: Power output averaged about 60,000 KW for the period. The repair of a burned-out transformer at Chong Pyong has been completed, and if the test proves satisfactory the plant's output should average about 35,000 KW during the summer months, a net increase of about 18,000 KW. This should maintain the present current output while Yongwol is being overhauled.

Food and Agriculture: Adequate water for transplanting the 1948 rice crop is now assured. Incomplete reports of National Crop Reporting Board teams indicate, however, that the actual yields of summer grains will be well below the preliminary estimate of 672,688 metric tons of polished grains or equivalent, due principally to the May draught. The unpopular summer grain collection (approximately 20% of the crop) is under way after weathering a slight storm in the National Assembly. Though the Assembly has no jurisdiction as yet, adverse resolutions would hamper the collection program.

It appears likely that 1948 spring collection of silk may exceed the total of 2,200 metric tons of raw cocoons purchased during both spring and fall collections in 1947. The current open market price of cocoons is about 4 times the 1947 controlled price. While the price of silk fabric increased sharply following decontrol, resulting expansion of production is tending to level prices.

Following the failure of the Government to collect more than about 8% of the cotton crop at low official prices in both 1946 and 1947 the National Economic Board on 29 June recommended that no official price be established for the 1948 crop, but rather the price be subject to negotiation between farmers and cotton ginners. If adopted this plan is expected to stimulate future production, which had been steadily declining since the end of the war.

Finance: National Economic Board has completed a review of all budget requests for the fiscal year 1948/9. The total budget approved by the Military Governor and/or National Economic Board comes to 28.4 billion won. This budget is for expenditure in local economy only. In addition SKIG departments budget separately the cost of materials received through Civilian Supply, this latter budget amounting to 6,260 million won brings the year's total budget to 34.6 billion won. While revenue estimates total 25.4 billion won or about 2.1 billion won per month, actual receipts during the first quarter of the fiscal year averaged only 1.5 billion won a month.

Currency circulation on 30 June was 30,035 billion won, up 423 million won since 18 June.

Foreign Trade: South KOREA's foreign trade continues its gradual expansion. Private trade, mostly with HONGKONG, averaged about one billion won a month as compared to a monthly average of 266 million won in 1947. Government to government exports, mostly with JAPAN, during the first five months of 1948 averaged almost 1 million dollars (U.S.) per month, as compared with the 1947 monthly average of slightly under one half million dollars (U.S.). Exports comprised only 34% of private trade in 1947 but rose to 46% in the first five months of 1948.

National Land Administration: Over 495,000 of a total of 587,944 vested farms in South KOREA have now been sold. The bulk of the unsold farms includes orchards, mulberry, vegetable and other special type farms not subject to sale, or farms whose ownership is in dispute or in question for various reasons. It is estimated that about 25,000 paddy and dry land farms remain to be sold before the major phase of vested farmland distribution program is successfully concluded.

D. PSYCHOLOGICAL

The Press

No single development received concerted attention from SEOUL newspaper editors during the period.

E. SABOTAGE AND ESPIONAGE

On 03 July a piece of iron was found placed on the rails in the FUHEI (974-1635) railroad yards of the Korea Base Command in such a manner as to prevent switching and possibly cause a train wreck. (E-2)

On 30 June an alleged espionage agent, member of the DEMOCRATIC PATRIOTIC YOUNG MEN'S ASSOCIATION, was arrested in KAESONG (950-1690). (C-3)