

PART I
SOUTH KOREA

From: 301200/I July 48
To: 061200/I August 48

Headquarters, USAFIK
Seoul, Korea
06 August 1948

. 151
ps: KOREA, 1/250,000
East ASIA, 1/1,000,000

ARMED FORCES

1. Strength (Secret)

Police: No Change
Constabulary: 54,630 (including 3,727 recruits and 239 cadets)
Coast Guard: 2,889 (including 128 cadets)

2. Operational Activity (Confidential)

Border Incidents

At 012230 August 4 North Korean Constabularymen fired across the parallel at 2 patrolling South Korean policemen near CHEONG KYO- (1165-1697). (C-6)

At 032100 August 12 North Korean Constabularymen violated the parallel near WONPYONG NI (1062-1696) and fired on 3 South Korean policemen. (C-3)

The following table summarizes reported border incidents since 1 June:

BORDER INCIDENTS	4 - 11 June	11 - 18 June	18 - 25 June	25 June 02 July	02 - 09 July	09 - 16 July	16 - 23 July	23 - 30 July	30 July 06 August	TOTAL
orean vs Korean	4	6	4	6	0	2	3	0	2	27
iring on U.S.Personnel	0	1	2	0	0	1	2	1	0	7
mbushes of U.S.Personnel	0	0	0	0	0	0	1	0	0	1
oviet iolations of Parallel*	0	0	0	0	0	1	0	0	0	1
orean iolations of Parallel*	2	1	0	1	0	0	0	1	0	5
oviets vs Koreans	1	0	0	0	0	0	0	0	0	1
TOTAL	7	8	6	7	0	4	6	2	2	42

*No firing involved

COMMENT: No information has been received to explain the recent decrease in the number of reports of border incidents. Although it is possible that a decrease in incidents is connected with movements of IN MIN GUN into the area south of the 39th parallel, such decreases have occurred before without explanation. (See II A 1.)

B. CURRENT INTELLIGENCE1. National Assembly.a. LEE Bum Suk Made Prime Minister

The appointment of LEE Bum Suk, President RHEE's second nominee for the post of Prime Minister, (W/S #150, I, B, 1,b), was approved by the National Assembly on 02 August by a vote of 110 to 4, with 3 votes invalid. (For newspaper comment on the appointment, see I, D.)

b. Ministers Named

During 02 - 05 August the appointment of the eleven department heads -- i.e., ministers -- was announced (see Inclosure #1 which is unclassified and may be detached for reference purposes). The appointments, requiring no confirmation by the National Assembly, are:

1. Internal Affairs

- YOON Shi Yong -- Age 51; studied in the UNITED STATES; former personal secretary to RHEE Syng Man and an official in numerous organizations headed by RHEE; later joined HAN'GOOK DEMOCRATIC PARTY and was elected to National Assembly while a member of the HDP; resigned from HDP after he rebuked another HDP member of the National Assembly on 30 July for insulting President RHEE by calling him a dictator.

2. Foreign Affairs

- CHANG TAIK SANG -- Age 52 (?); graduated from Edinburgh University; member of the HAN'GOOK DEMOCRATIC PARTY; independently wealthy; appointed Chief of Metropolitan Police, Seoul, 12 January 1946; record of effective control of civil disorders.

3. Agriculture and Forestry

- CHO Bong Am -- age 50; studied in MOSCOW; formerly active in Communist underground and arrested twice by Japanese; formerly prominent in DEMOCRATIC PEOPLE'S FRONT; wrote a letter criticizing policy of PAK, Hun Yung, top South Korean Communist; expelled from Front in June 1946; elected to National Assembly as an independent; reported to call himself an "anti-Stalin" communist; one of the principal leaders of the Independent Club which contains a pro KIM Koo - KIM Kyu Sik bloc.

4. Commerce and Industry - YIM Yong Sin (Louise YIM) -- Age 48 (?); chairman of WOMEN'S NATIONALIST PARTY, which supports RHEE Syng Man; propagandized Korean independence and RHEE in the UNITED STATES and to UN members since September 1946.
5. Finance - KIM Do-Yun -- Age 55; educated in JAPAN and the UNITED STATES; prominent in the HANKOOK DEMOCRATIC PARTY; elected to Korean Interim Legislative Assembly; Assemblyman; member of National Assembly Liaison Committee.
6. Education - AHN He Song -- Age 48; educated in GERMANY and ENGLAND; no political affiliations; professor of Philosophy at SEOUL university.
7. Justice - LEE In -- Age 52; educated in JAPAN; member of the HANKOOK DEMOCRATIC PARTY; Chief prosecutor of the Korean Supreme Court.
8. Social Affairs - CHON Chin Han -- Age 48; educated in JAPAN; Assemblyman from KYONGSONG PUUTO; Chairman of the GREAT KOREAN INDEPENDENT LABOR LEAGUE (rightist).
9. National Defense - LEE Bum Suk -- Age 49; educated in CHINA; Commander of the Second Detachment of the Korean Restoration (KWANG BOK) Army with headquarters in SIAN, CHINA, 1944; Chief of Staff under LEE Chung Chun, Commander of the KWANG BOK Army and theoretical Commander of the Korean Army and Navy; returned to KOREA from CHINA on 06 June 1946; affiliated with RHEE's National Society; President of the SKIG-sponsored KOREAN NATIONAL YOUTH CORPS appointment as Prime Minister confirmed 02 August 1948.
10. Transportation - MIN Hi Sik -- Age 54; educated in FRANCE, CHINA and UNITED STATES; claims no political affiliations; present Director, Department of Transportation; SKIG.

11. Communications

- YUN Suk Koo -- Age 57; member of the KOREAN INDEPENDENCE PARTY (Kim Koo); elected to 'ILLA; Assemblyman from CHOLLA PUKTO.

In addition to the appointment of the eleven department heads, the four offices under the Prime Minister were filled:

Office of Public Information

- YIM Dong Song -- Age 59; educated in the UNITED STATES; no political affiliation; President of the Korean Pacific Press (handles AP news); member of the Central Election Committee which was designated to conduct and supervise the 10 May election; long known as personal supporter of RHEE.

Office of Legislation

- YOO Chin O -- Age 55 (?); not a member of the Assembly but aided in the drafting of Assembly Rules, Organization Law, and Constitution; no political affiliation.

Office of General Affairs

- HO Chong -- Age 53; member of the HANKOOK DEMOCRATIC PARTY; assemblyman from KYONGSANG NAMDO; member of the Constitution Drafting Committee.

Office of Planning

- LEE Kyo Son -- Age 44; educated in the UNITED STATES; no political affiliation; present Director of the Office of Price Administration; SKIG.

RHEE's appointment of KIM Byung No as head of the judicial branch of the government was confirmed by the National Assembly on 05 August by a vote of 117 to 31.

Courts (Chief Justice of the Supreme Court)

- KIM Byung No -- Age 55; formerly a member of the HANKOOK DEMOCRATIC PARTY; Director of the Department of Justice, SKIG.

COMMENT: The following are among the significant observations made of the RHEE appointments:

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a. With the exception of LEE Bum Suk, no one with any large organized following was nominated to the cabinet. LEE Chong Chun, head of the UNITED YOUNG MEN'S PARTY, LEE Yoon Yong, leader of a comparatively small group of North Korean conservatives, and KIM Sung Soo, chairman of the influential HANKOOK DEMOCRATIC PARTY, are being considered for positions as ministers without portfolio. Last week RHEE publicly stated that KIM Sung Soo would receive "a place no less important than that of Premier." (W/S #150, I. B, 1, 6).

b. Probably concessions were made to the non-partisans to gain their support for the LEE Bum Suk appointment. CHO Bong An and YUN Suk Koo received their assignments, it is believed, as part of the trade.

c. Louise YIM's appointment is unsatisfactory to most observers. Resentment among Koreans has been stirred because she is a woman, the first to gain a top position in the government, and possesses no apparent qualifications for her assignment. Even RHEE does not seem happy about this selection. He stated that the appointment is a temporary, but necessary, concession to her. She prefers the position of Korean representative to the UNITED NATIONS, a post RHEE has refused to grant her.

d. CHOUGH Byung Ok, considered a strong prospect for Minister of Foreign Affairs, was reportedly rejected by RHEE because of his action against Metropolitan Police Chief CHANG Taik Sang, whose name has been appearing in most SEOUL newspapers in connection with the death of a Korean who was captured by SEOUL police after an attempted assassination of CHANG several months ago. CHOUGH Byung Ok will probably become a roving ambassador (I, B, 1, d, below).

e. The HANKOOK DEMOCRATIC PARTY is represented in only one of the three posts in which the Party was most interested: Finance (KIM Do Yun). The other posts, Prime Minister and Commerce and Industry, went to other individuals. (RHEE has indicated that he is determined to break the HDP. It is also possible that in view of the new status of the South Korean government, RHEE's NATIONAL SOCIETY FOR THE ACCELERATION OF KOREAN INDEPENDENCE will be given another name.)

f. SHIN Ik Hi, Elected Chairman of Assembly

SHIN Ik Hi, former Vice Chairman of the NATIONAL ASSEMBLY was elected Chairman of the legislative body on 04 August.

KIM Yak Soo, moderate rightist from KYONGSANG NAMDO and former member of the Korean Interim Legislative Assembly, was elected to the Vice-chairmanship left vacant by SHIN. KIM Dong Won of the HANKOOK DEMOCRATIC PARTY is the other Vice Chairman.

g. Further Appointments to UN

The following persons are President RHEE's tentative appointments as the staff which will represent KOREA at UNITED NATIONS meetings:

CHANG Myon, chief delegate;
LEE Yoon Yong, alternate;
CHOUGH Byung Ok; and
HELEN KIM

d. Non-Communist Opposition to Separate Governments

a. KIM Kyu Sik's Correspondence with North KOREA

On 23 July KIM Kyu Sik formulated a statement concerning his stand on separate elections in North and South KOREA. After

b. Unification Society

(1) Standing Committee Formed

On 01 August, at a meeting of the Central Executive Committee of the SOCIETY FOR THE ACCELERATION OF UNIFIED INDEPENDENCE a 13-man Standing Committee was selected by a nominating committee of 5 men, 2 of whom are from the NATIONAL INDEPENDENCE FEDERATION and 3 from the KOREAN INDEPENDENCE PARTY. The 13 members include 8 from KIM Kyu Sik's NATIONAL INDEPENDENCE FEDERATION, 4 from KIM Koo's KOREAN INDEPENDENCE PARTY, and 1 independent -- SUL I Sik, former editor of the right-wing DONG A ILBO. The 13 persons were chosen from a list of 23 names prepared by KIM Kyu Sik and KIM Boong Joon, Chairman of the moderate rightist NEW PROGRESSIVE PARTY.

COMMENT: The membership of this committee, from which leftist elements have been excluded, is further indication (W/S #150, I, B, 2) that the KIM Koo -- KIM Kyu Sik combination is cleaning its house of communist taint.

(2) First Meeting of Standing Committee

At the first meeting of the SOCIETY Standing Committee, on 05 August, EUM Hang Sup, of KIM Koo's KOREAN INDEPENDENCE PARTY, presided. The following persons were selected to head the various bureaus in the SOCIETY (see I, B, 2, c below):

KIM Boong Joon	-	General Affairs
PAI Song Yong	-	Organization
EUM Hang Sup	-	Propaganda
KIM Hak Kyu	-	Financial

c. NATIONAL INDEPENDENCE FEDERATION Decides to Take Action Against Conferees in Second North-South Conference

At a meeting of the Standing Committee of the NATIONAL INDEPENDENCE FEDERATION at KIM Kyu Sik's home in SEOUL on 04 August it was decided that the Supervisory Committee of the NIF (W/S #121, para. C, 2, c) will determine what measures should be taken against members of the NIF who are cooperating with Communists in North and South KOREA for the purpose of establishing a "central" government in North KOREA.

The Supervisory Committee is to make and report its decision by 11 August.

The following persons, all leading figures in the NATIONAL INDEPENDENCE FEDERATION, were at the meeting:

<u>NAME</u>	<u>POLITICAL LEANING</u>	<u>PARTY AFFILIATION</u>
WON Sei Hoon*	Rightist (NIF)	Farmers' Party
KIM Boong Joon*	Moderate Rightist (NIF)	New Progressive Party
PAI Song Yong	Moderate Rightist	NIF
CHANG Cha Il*	Moderate Rightist	NIF
SHIN Ki On*	Moderate Rightist	NIF
SONG Nam Hoon	Moderate Rightist	NIF
CHOE Sok Chang	Moderate	NIF
LEE Sang Baik	Moderate	Laboring People's Party

*Formerly of KILA

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3. Civil Unrest

a. Communist Violence

During the reporting period, no reports were received concerning acts of violence involving communists. Directives to all levels of the communist hierarchy in South KOREA to remain "quiet" until 15 August 1948, (see W/S #150), have undoubtedly been a controlling factor of this non-violence period. Persistent police action against all communist parties has resulted in many arrests. Police action has also resulted in the apprehension of many communists who were gathering votes for the North Korea elections. (See Part II, B, 4).

(1) Weekly Violence Summary

Negative

(2) Delayed Reports Covering Last Week

Delayed reports of incidents that occurred during the week ending 30 July which were not carried in last week's summary (see Part I, B, 3, a, (1), W/S 150) are:

	Seoul	Kyonggi-Do	Kangwon-Do	Chungchong Nampo	Chungchong Pukto	Cholla-Namdo	Cholla-Pukto	Kyongsang Nampo	Kyongsang Pukto	Cheju-Do	Total
Attacks on towns											
Attacks on police								1			1
Police killed											
Rightists killed											
Communists killed								1	3		4
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)											

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(3) 1948 Communist Activities in South KOREA

	JAN	FEB	MAR	APR	MAY	JUNE	JULY*	TOTAL
Attacks on towns	0	0	0	5	73	9	1	88
Attacks on police	0	130	118	50	86	12	9	405
Police killed	0	33	20	15	34	4	1	107
Rightists killed	1	14	14	81	144	1	10	315
Communists killed	1	74	75	70	155	83	27	485
Disorders, demonstrations, arson, attacks on rightists' offices and homes	6	118	89	126	196	81	24	620
Attacks on government buildings	0	9	14	2	9	3	0	37
Sabotage (communications)	14	53	58	32	57	8	1	223
Sabotage (RR lines)	1	12	6	0	8	0	1	28
Sabotage (locomotives)	0	50	0	0	24	0	0	74
Sabotage (roads)	0	13	5	2	5	0	0	25
Sabotage (bridges)	0	6	9	5	4	0	0	24
Sabotage (power)	0	0	0	0	7	1	0	8
Strikes (labor)	0	14	6	3	16	1	0	40
Strikes (school)	0	7	5	4	9	0	0	25
Attacks on registration & election booths	0	0	0	58	68	0	0	126

b. Non-Communist Violence

(1) No rightist-inspired acts of violence were reported during the period.

(2) A summary of acts of violence on the part of persons of unknown political affiliation as reported up to 06 August 1948 is as follows:

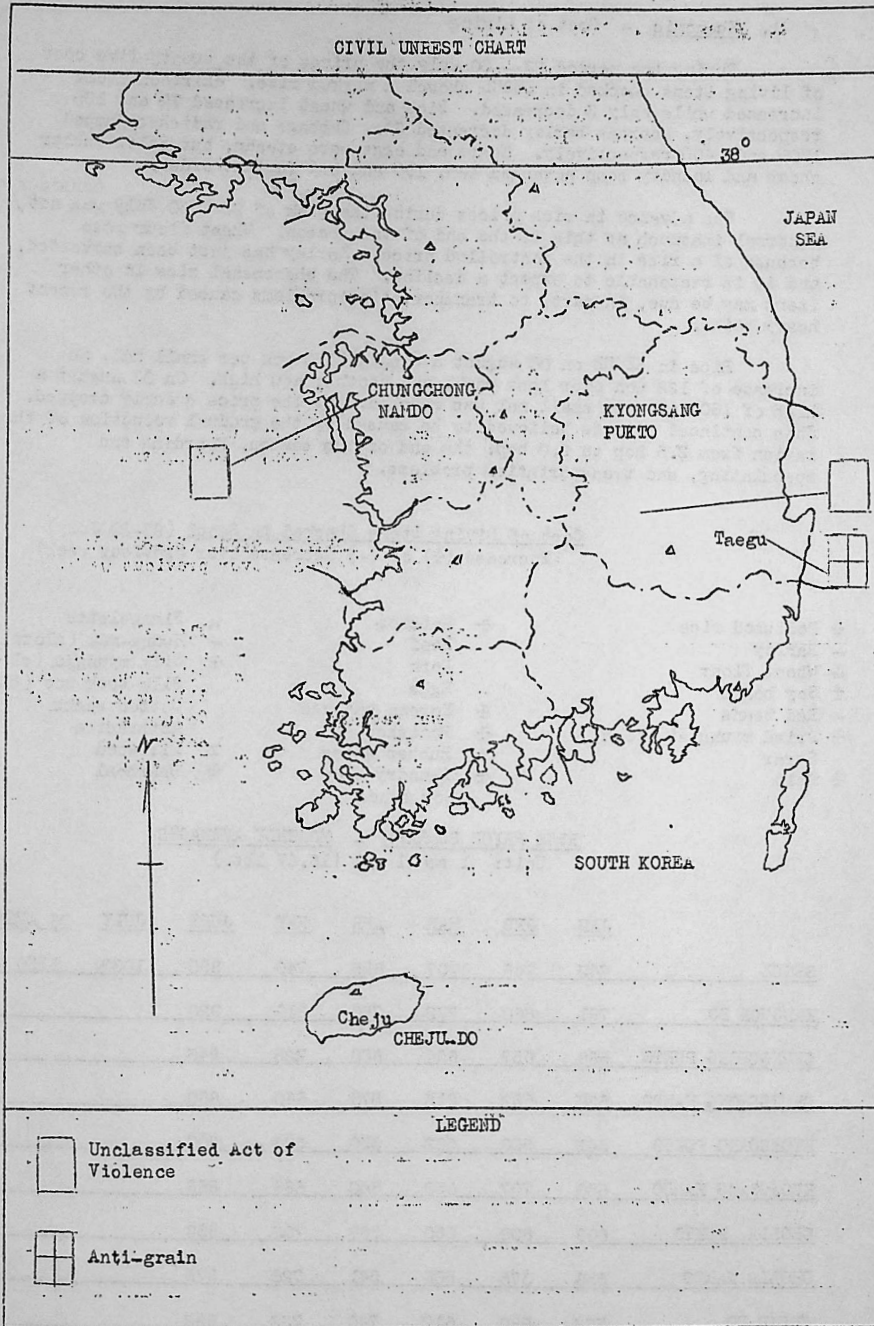
	Seoul	Kyonggi Do	Kangwon Do	Chungchongng	Chungchong	Pukto	Cholla-Namdo	Cholla-Pukto	Kyongsang Namdo	Kyongsang Pukto	Cheju-Do	Total
Assassination												
Anti-Grain Collection									1			1
Political Terrorism												
Demonstration												
Resistance to Arrest												
Arson												
Unclassified				1					1			2
Sabotage (communication)												
Sabotage (Railroad Lines)												
Sabotage (Power)												
Sabotage (Bridges)												
Strikes (Labor)												
Strikes (Schools)												

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(3) Monthly summation of acts of violence on the part of persons of unknown political affiliation.

	JULY*	AUG*	TOTAL
Assassination	7	0	7
Anti-grain Collection	9	1	10
Political terrorism	1	0	1
Demonstration	15	0	15
Resistance to Arrest	5	0	5
Arson	2	0	2
Unclassified	11	1	12
Sabotage (Communications)	1	0	1
Sabotage (Railroad lines)	0	0	0
Sabotage (Power)	0	0	0
Sabotage (Bridges)	0	0	0
Strikes (Labor)	0	0	0
Strikes (Schools)	1	0	1

*Incomplete



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C. WAR POTENTIAL1. Economic - Cost of Living

During the period 23 - 30 July the prices of the twenty-five cost of living items checked in SEOUL showed a marked rise. Thirteen items increased while only 3 decreased. Rice and wheat increased 7% and 13% respectively, whereas barley decreased 3%. Cabbage and radishes jumped 190% and 140% respectively. Meats and eggs were steady, but salt, rubber shoes and laundry soap advanced 43%, 19% and 13% in that order.

The advance in rice prices during the week of 23 - 30 July was not considered abnormal inasmuch as this is the end of the season. Wheat flour rose because of a rise in the controlled price. Barley has just been harvested, and it is reasonable to expect a decline. The phenomenal rise in other items may be due, in part, to transportation problems caused by the recent heavy rains.

Rice in SEOUL on 06 August averaged 1150 won per small mal, an increase of 122 won over last week, and another new high. On 03 August a high of 1600 won per small mal was reached, but the price quickly dropped. This continued rise is believed to be caused by the gradual reduction of the ration from 2.5 hop to 2.0 hop, the end of the season, hoarding and speculating, and transportation problems.

Cost of Living Items Checked in Seoul (23-30 July)
(Increase (+) or (-) Decrease over previous week)

± Polished rice	± Matches	- Flannelette
- Barley	Beef	- Kwang-mak (cloth)
± Wheat flour	Pork	± Silk myungju (cloth)
± Soy beans	- Eggs	Silk sook soo (cloth)
- Red beans	± Korean cabbage	Cotton socks
± Dried myungtal (fish)	± Radishes	Anthracite
Sugar	± Rubber shoes	± Firewood
± Salt	± Laundry soap	± Charcoal
	Soy sauce	

RICE PRICE SUMMARY - MONTHLY AVERAGES
Unit: 1 small mal (16.67 lbs.)

	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>06 AUG*</u>
SEOUL	743	746	707	655	740	895	1033	1150
KANGWON DO	791	860	772	750	816	920		
CHUNGCHONG PUKTO	586	657	654	600	723	943		
CHUNGCHONG NAMDO	630	662	613	576	660	860		
KYONGSANG PUKTO	541	550	502	550	583	807		
KYONGSANG NAMDO	650	707	650	640	666	868		
CHOLLA PUKTO	608	608	550	566	703	850		
CHOLLA NAMDO	558	575	508	541	728	875		
CHEJU DO	733	680	617	740	733	983		
AVERAGE	648	676	619	659	706	889		

SOURCE: National Price Administration, SKIG

* SOURCE: Open markets (4) in Seoul.
RATE OF OPEN MARKET EXCHANGE: 450 won per Military Currency dollar
1150 - 1200 won per U.S. dollar

2. Population

a. Surrendered and Disarmed: No change: 179,376

<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	288,532
<u>Japanese Evacuated to JAPAN</u>	0	884,198
<u>Total Koreans Returning</u>	1,182*	2,151,730
<u>Total Repatriates Moved Since 15 Aug. 45</u>		3,036,383
<u>c. Koreans Apprehended While Attempting</u> <u>Illegal Entry to JAPAN</u>		24,838

* Incomplete report

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