

PART I  
SOUTH KOREA

From: 061200/I August 1948  
To: 131200/I August 1948

Headquarters USAFIK  
Seoul, Korea  
13 August 1948

No. 152  
Maps: KOREA, 1/250,000  
East ASIA, 1/1,000,000

A. ARMED FORCES

1. Strength (Secret)

Police: No change.

Constabulary: 52,797 (including 2,586 recruits and 216 cadets).

Coast Guard: 2,767 (including 140 cadets).

2. Operational Activity (Confidential)

Border Incidents

On 30 July approximately 5 North Korean Constabularymen violated the parallel in the vicinity of NAEPYONG NI (1086-1669) but withdrew to North Korea without causing trouble. (C-3)

On 31 July an estimated 80 North Korean Constabularymen attacked the police box at MULMOK (970.8-1695.5), approximately 1000 yards south of the parallel. The NKC withdrew after a four hour firefight. (C-3)

At 080300 August an estimated 20 North Korean Constabularymen attacked the YONGCHONG (935.1-1696.3) police box. The NKC withdrew after a short firefight. (C-3)

At about 091200 August a U.S. patrol of one officer and five enlisted men was fired upon by North Korean Constabularymen in position near (970.2-1696.9), which is north of the parallel. After taking cover and returning the fire, the patrol withdrew to the south and took up a new position. While in the new position, the patrol received fire from a hill about 700 yards south of the parallel. After the patrol had again withdrawn to the south under cover of its own fire, South Korean police from CHONGDAN (976-1689) apparently took up a position to the flank of the patrol and opened fire on the North Koreans. A North Korean civilian was observed carrying a North Korean constabularyman; two Soviets, one of whom is believed to have been an officer, were observed north of the parallel apparently directing the North Korean civilian. When out of ammunition, the patrol returned to KAESONG. (B-2)

On 09 August, 3 or 4 North Korean Constabularymen came approximately 200 yards south of the 38th parallel and fired two rounds at the MULMOK (970.8-1695.5) police box. When fire was returned by the police, the NKC withdrew. (C-3)

COMMENT: This was probably<sup>or</sup> retaliatory raid as a result of the firefight between Americans and North Korean Constabularymen at 091200 August, in which South Korean police took part.

At 110300 and at 110408 August, a U. S. observation post located at (930.2-1696.6) observed an armed Korean civilian approaching the OP perimeter. Neither of the civilians was apprehended; one is believed to have been wounded. (B-2)

The following table summarizes reported border incidents since 04 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	06-13 August	TOTAL
Korean vs Korean	4	6	4	6	0	2	3	0	3	2	30
Firing on US Personnel	0	1	2	0	0	1	2	1	0	1	8
Ambushes of US Personnel	0	0	0	0	0	0	1	0	0	0	1
Soviet Violations of Parallel *	0	0	0	0	0	1	0	0	0	0	1
Korean Violations of Parallel *	2	1	0	1	0	0	0	1	0	1	6
Soviets vs Koreans	1	0	0	0	0	0	0	0	0	0	1
TOTAL	7	8	6	7	0	4	6	2	3	4	47

\* No firing involved.

B. CURRENT INTELLIGENCE1. The Korean Governmenta. National Assembly in Adjournment

The National Assembly, in adjournment since 05 August, is scheduled to reconvene on 16 August.

b. UNTCOK Notified of Government Formation

In a letter dated 06 August 1948, President RHEE notified the United Nations Temporary Commission on KOREA that the "Government of the Republic of KOREA" was formed on 05 August 1948, "as a result of the elections held on May 10, 1948...."

President RHEE also informed the Commission of the adoption of the "Government Organization Law on July 16, 1948.... which is based on the Constitution"; the election of the President and Vice President; the designation and approval of the Chief Justice; the appointment and approval of the Prime Minister; and the appointment of the Ministers of the Cabinet.

"This notification," said RHEE, "is being transmitted to the United Nations Temporary Commission on KOREA in accordance with paragraph 3, Resolution II, of the United Nations General Assembly Resolution on KOREA of November 14, 1947."

"In furtherance of the United Nations General Assembly Resolutions on KOREA," RHEE concluded, "I have the honor to request on behalf of the Government of the Republic of KOREA, consultations with the United Nations Temporary Commission on KOREA, particularly with reference to paragraph 4 of Resolution II, adopted November 14, 1947."

COMMENT: At the close of the period covered by this report UNTCOK had taken no action to meet RHEE's request for consultations.

c. Preparations For The Transfer of Administration

On 09 August, President RHEE notified Lieutenant General John R. HODGE that the Korean Government is prepared to take over the administration of affairs in South KOREA and requested the Commanding General to initiate negotiations to effect a transfer of governmental responsibility and authority. RHEE named the Prime Minister, LEE Bum Suk; the Minister of the Interior, YUN Tchi Yung; and the Minister of Foreign affairs, CHANG Taik Sang, as his representatives for the consultations.

General HODGE replied to RHEE's letter on 11 August informing the Korean President that Major General C. G. HELMICK and Mr. Everett F. DRUMRIGHT had been designated as the Commanding General's representatives in discussions regarding the transfer of administration.

In his reply General HODGE also took note of a statement by President RHEE that the latter recognizes that the Commanding General, USAFIK, necessarily would retain control over all U.S. Forces in KOREA as well as over those facilities essential to their maintenance. The full text of the Commanding General's statement follows:

"I have the honor to acknowledge Your Excellency's Note of August 9, 1948, in which you informed me of the fact that, in accordance with the United Nations General Assembly Resolution II of November 14, 1947, the United Nations Temporary Commission on KOREA was notified on August 6, 1948, of the formation of the Government of the Republic of KOREA, and in which you requested my cooperation and assistance in transferring to that government the functions of government now exercised by me as Commanding General of the United States Army Forces in KOREA.

"I am pleased to note that the Government of the Republic of KOREA recognizes that it will be necessary for me to retain control over areas and facilities of vital importance (such as ports, camps, railways, lines of communication, airfields, etc.) as I deem necessary in order to accomplish the transfer of authority to the Government of the Republic of KOREA and the withdrawal of United States occupation forces from KOREA in accordance with the United Nations General Assembly Resolutions on KOREA. Furthermore, I note that the Government of the Republic of KOREA recognizes my exclusive jurisdiction over the personnel of my Command, both military and civilian, including their dependents.

"I shall be pleased to cooperate with you in arranging a progressive and orderly transfer of governmental functions, including the assumption of responsibilities for the direction of all Police, Coast Guard and Constabulary units now in being, leading to the withdrawal of United States Forces from KOREA and the termination of the United States occupation. To this end, and for the purpose of facilitating arrangements for the withdrawal of the forces under my Command, I have appointed Major General C. G. HELMICK and Mr. Everett F. DRUMRIGHT to consult with Your Excellency's representatives: Mr. LEE Bum Suk, Mr. YUN Tchi Young and Mr. T. S. CHANG.

"Accept, Sir, the assurances of my highest consideration."

d. UNITED STATES Position and Special Representative Announced

The Commanding General, UNITED STATES Army Forces in KOREA, announced that the State Department has released in WASHINGTON the following statement:

"In the Joint Declaration issued at CAIRO on December 1, 1943, the three subscribing powers - The UNITED STATES, CHINA, and GREAT BRITAIN - expressed their determination 'that in due course KOREA shall become free and independent.' This determination was reaffirmed in the POTSDAM Declaration of July 26, 1945, with which the SOVIET UNION associated itself upon its declaration of war against JAPAN on August 8 of that year. On December 27, 1945 in MOSCOW the Foreign Ministers of the SOVIET UNION, the UNITED STATES, and GREAT BRITAIN concluded an agreement, later adhered to by the Government of CHINA, designed to re-establish KOREA as an independent state.

"Although the annexation of KOREA by JAPAN was effectively terminated with the occupation of that country by the armed forces of the SOVIET UNION and the UNITED STATES in August and September 1945, the freedom and independence of KOREA so solemnly pledged by the Four Powers has proven slow of realization. After nearly two years of painstaking but unavailing effort to give effect to those pledges through negotiations with the other occupying power, the UNITED STATES Government, on September 17, 1947, laid the problem of Korean independence before the General Assembly of the United Nations. The will of an overwhelming majority of that body was expressed in two Resolutions adopted by it on November 14, 1947, the purpose of which was to make it possible for the Korean people to attain their long-sought freedom and independence through the holding of free and democratic elections and the establishment, on the basis thereof, of a National Government.

"In pursuance of these Resolutions, elections were held in KOREA on May 10 of this year, under the observation of the United Nations Temporary Commission on KOREA, for the purpose of electing representatives to a National Assembly which might in turn form a National Government. The National Assembly so elected convened on May 31 and has proceeded to form a government - a government in

which it is hoped that the people of North KOREA, who were prevented from participating in the May 10 elections by the refusal of the SOVIET UNION to permit the implementation of the General Assembly Resolutions in its zone of occupation, will be free in due course to assume their rightful role. Notification of the formation of the new government was communicated to the United Nations Temporary Commission on KOREA on August 6, 1948.

"It is the view of the UNITED STATES Government that the Korean Government so established is entitled to be regarded as the Government of KOREA envisaged by the General Assembly Resolutions of November 14, 1947. Pending consideration by the General Assembly at its forthcoming Third Session of the report of the United Nations Temporary Commission on KOREA, the UNITED STATES, pursuant to its responsibility as occupying power, is sending to SEOUL a Special Representative who will be authorized to carry on negotiations with that Government, in consultation with the United Nations Temporary Commission on KOREA, concerning the implementation of the further provisions set forth in paragraph 4 of the second of the General Assembly Resolutions of November 14, 1947. As such Special Representative the President has named the Honorable John J. MUCCIO of Rhode Island, who will have the personal rank of Ambassador."

The Chinese Government took similar action. On 12 August information was released which revealed that the Chinese Foreign Minister issued instructions to the Consul-General in SEOUL, LIU Yu-wan, that henceforth he would possess the rank of Ambassador and act as CHINA's top representative to the new Korean Government.

e. Changes In the Directorate

HO Chung, originally appointed Director of the Office of General Affairs, was replaced by KIM Byung Yun; and LEE Kyo Sun, appointed Director of the Office of Planning, was replaced by LEE Sun Taik (see W/S #151, page 6).

Reportedly, HO Chung was displeased because he had not been appointed Minister of Commerce and Industry, a post given by RHEE to Louise YIM; and LEE Bum Sik, it is alleged, objected to the appointment of LEE Kyo Sun. RHEE offered LEE Kyo Sun the position of Vice Minister of Commerce and Industry but Louise YIM objected, stating that she had already made a selection (a relative) for this assignment. RHEE then offered LEE the position of Vice Minister of Education. At this point, it is reported, LEE disgustedly walked out of the meeting.

f. Top Officials In The Government

The majority of the vice ministers and assistant directors of the departments and offices respectively were appointed during this period. The department and office heads were chosen last week (see W/S #151, page 4).

(1) Executive:

President:	RHEE Syng Man
Vice President:	LEE Shi Yung
Prime Minister:	LEE Bum Suk

<u>Department</u>	<u>Minister</u>	<u>Vice Minister</u>
Internal Affairs	YUN Tchi Yong	HWANG Hi Chan*
Foreign Affairs	CHANG Taik Sang*	KO Chang Il*

\*Served in the South Korean Interim Government

The names of the Korean delegates to the United Nations General Assembly in Paris were announced on 11 August. They are CHANG Myun, CHANG Ki Yung and Helen KIM (See W/S #151, page 7). President RHEE privately stated that CHANG Myun will be the Chief Delegate and that instructions will leave no doubt as to his authority. CHANG Ki Yung will be the Alternate and Helen KIM the third ranking representative. Reportedly, RHEE has declined to announce that CHANG Myun is heading the delegation in order to forestall unfavorable reaction on the part of Helen KIM, who apparently is under the impression that she will serve as the Chief Delegate.

2. Non-Communist Opposition to the South Korean Government

a. Extra Representation at UN General Assembly

KIM, Koo, President of the SOCIETY for the ACCELERATION of UNIFIED INDEPENDENCE, told press reporters that SUH Ryang Hai, UEM Hang Sop and KIM Kyu Sik would represent the SOCIETY at the PARIS meetings of the UN General Assembly. SUH, who has resided in France from 1921 (?) until after the liberation, served as the European representative of the Korean Government-in-Exile during World War II when RHEE Syng Man was in the United States. KIM Koo stated that SUH left SHANGHAI for Paris on 15 July. Another source, of a high level, however, recently reported that SUH was still in SHANGHAI attempting to secure a visa from the French.

KIM Kyu Sik, Vice-President of the SOCIETY, publicly stated that it was virtually impossible for him to attend the UN meetings as a representative of the Korean people and that he is compelled, therefore, to reiterate his rejection of the assignment.

COMMENT: It is not known whether the UN General Assembly will receive representatives from dissident Korean groups who refused to participate in the election.

b. NIF and SOCIETY Action Against Supporters of NK Election

KIM Kyu Sik, leader of South Korean moderate factions, called a meeting of the Standing Committee of his National Independence Federation on 11 August. On that day, at Dr. KIM's home, representatives of the NIF Supervisory Committee reported their findings and decision regarding what action is to be taken against members of the NIF who are in North Korea and who are believed to be participating, or in some manner aiding, the 25 August election (See I, B, 3, below and W/S #151, page 9).

According to the findings of the Supervisory Committee, at least twelve members of the NIF are in North Korea at present. It was unanimously decided that these twelve would be removed from their positions on committees in the NIF and that they would be expelled from the Federation if they could not prove that they did not participate in or aid the North Korean election. The twelve persons and the party in the NIF with which they are affiliated are:

Political Committee

HONG Myong Hi \*  
LEE Kerk No \*  
SON Doo Hwan \*

Party

Democratic Independence  
Healthy People's  
Laboring People's

Central Executive Committees

KANG Soon  
CHANG Kwon \*  
OO Bong Un  
KIM Chung Kyu  
YIM Cha Yon  
LEE Yong  
CHOI Ik Han

Party

Laboring Masses  
Social Democratic  
Independent Women's League  
New Progressive  
Laboring People's  
New Progressive  
Laboring People's

Members \*\*

NA Sung Kyu  
KIM Il Chong

Party

Popular Alliance  
Democratic Korean Independence

\* Did not return from the joint PYONGYANG Conference held last April.

\*\* NIF members who belong to no committee but who must prove they did not participate in or aid the election or be expelled from the NIF.

The Standing Committee also decided that any persons other than those twelve who in any way assist in the establishment of the North Korean government will also be ousted from the NIF.

On the following day, 12 August, the Standing Committee of the Unification Society met at KIM Koo's residence and adopted a decision similar to that arrived at by the NIF.

COMMENT: This action by the NIF and the SOCIETY is a continuation of the efforts of these organizations to carry out the undesirables from the left which infest the moderate and dissident rightist ranks. Although it is almost certain that the aforementioned twelve persons are in North Korea assisting the election, others, including LYU Woon Hong, Chairman of the small SOCIAL DEMOCRATIC PARTY, have reportedly been elected as the party representatives and will doubtlessly go North in search of some comfortable niche in return for their "endorsement" of the 25 August North Korean election.

3. South Korean Representatives in People's Council (W/S #151)

According to one claim, the North Korean election scheduled for 25 August has already been held in South Korea. Posters which appeared in CHUNGCHONG-PUKTO on 07 August advised the public that the CHONGJU election had already been completed and praised the "All Korean election." Numerous reports indicate that the South Korea Labor Party, the chief motivating power behind the elections in South Korea, has selected its candidates and is sending them to Pyongyang. However, registration, or "voting", as it is called by the Communists, is still going on. The techniques employed to secure votes are diverse but revolve around a "secret" ballot. No fault can be found with the adjective "secret." In some cases strong-arm squads circulate within an area securing signatures endorsing an election in North Korea; these signatures can then be used by the Communists as votes. Another plan reported as being utilized is that of having Koreans put their signatures on blank ballots; the Communists contend that the candidate's name must remain secret and will be filled in for the voters when the ballot is received in North Korea.

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South Korean police have reported numerous arrests of vote collectors.

For non-violent interference in Communist plans to claim an All-Korea election, see Part I, par B, 2, above.

4. Civil Unrest

a. Communist Violence

No reports concerning communist-inspired violence were received during the period. The main strength of the Communist "Action Squads" may be awaiting the period of 15 August, Liberation Day and "New Government" Day.

Another contributing factor in minimizing communist violence is undoubtedly the many arrests the communists have suffered in connection with their efforts to acquire signatures on the "secret ballots" to be sent to North Korea for the 25 August North Korea election. (See I, B, 3 above). Police in KYONGSANG-NAMDO and CHOLLA-NAMDO, long-established communist strongholds, have been particularly active in this respect. Nearly 350 have been arrested in PUSAN and over 50 in KWANGJU for violation of Military Government Ordinance #2.

(1) Weekly Violence Summary

Negative

(2) Delayed Reports Covering Last Week

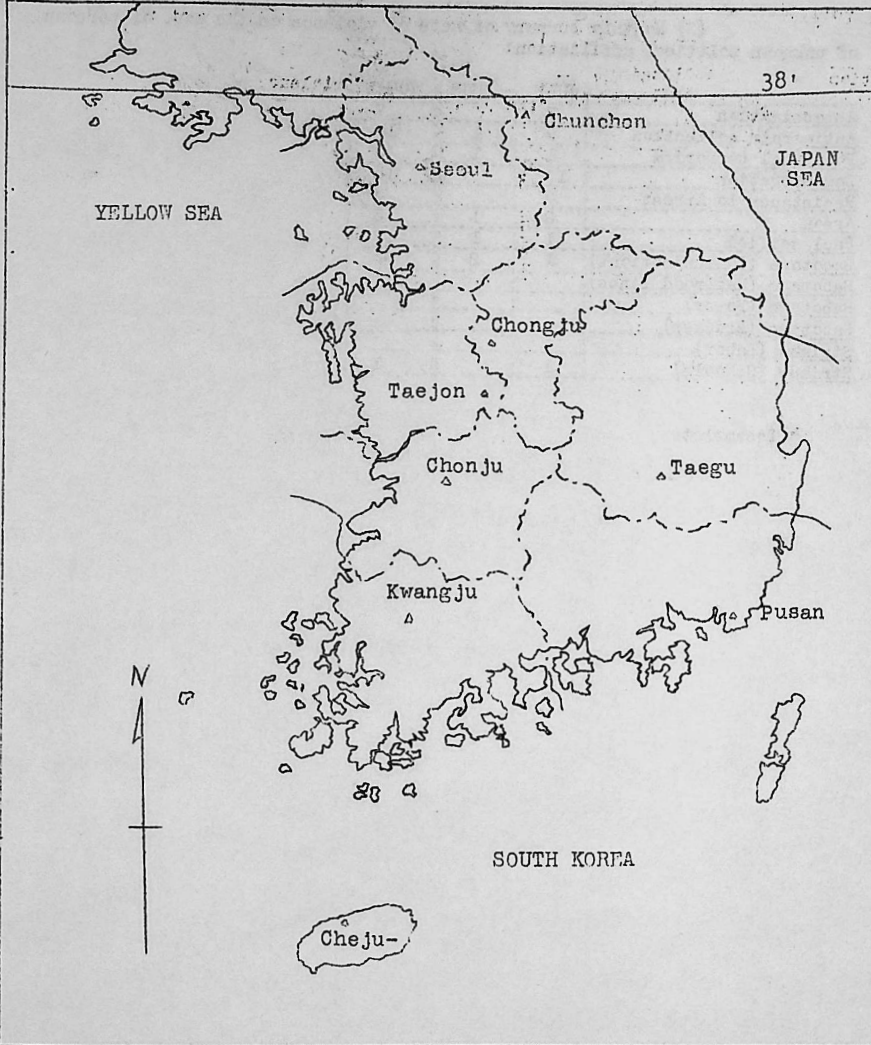
Delayed reports of incidents which occurred during the week ending 06 August but which were not carried in last week's summary (See W/S #151, page 10) are:

	SEOUL	KYONGGI-DO	KANGWON-DO	CHUNGCHONGNALDO	CHUNGCHONGCHUNGPDO	CHOLLA-NAMDO	CHOLLA-PUKTO	KYONGSANG-NAMDO	KYONGSANG-PUKTO	CHEJU-DO	TOTAL
Attacks on towns											
Attacks on police				1		1		1		1	4
Police killed											
Rightists killed											
Communists killed						5				2	7
Demonstrations, disorders, arson & attacks on rightists								1		1	2
Attacks on government buildings											
Sabotage (communications)											
Sabotage (RR lines)											
Sabotage (Roads)											
Sabotage (Bridges)											
Sabotage (Power)											
Strikes (Labor)											
Strikes (Schools)											

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CIVIL UNREST CHART



LEGEND

Negative for the week ending 13 August.

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C. WAR POTENTIAL1. Economica. Economic Review (prepared by the State Department Economic Mission)

Flood Damage: Typhoons and heavy rains in the past month have caused tidal waves and floods resulting in extensive damage to farmlands and fishing boats. On the basis of incomplete reports, it is estimated that at least 60,000 acres of paddy land (about 2 per cent of the total area planted in rice) was washed out or covered with salt water, over 500 small fishing boats were lost, over 50,000 persons rendered homeless, and over 150 persons killed. Total losses in crops, irrigation works, and houses are estimated at several billion won.

Prices: Overall prices increased about 5 per cent in July. The blackmarket price of rice increased from an average of 1050 won per small mal (16.67 lbs) in July to 1600 won per small mal during the first days of August, but receded again to 1150 won per small mal by 8 August.

Prices and Food: Reasons for the sharp increase in the blackmarket price of rice, which influences prices generally, include disruption of transportation from rural to city areas because of floods, diminution of supply because 1947 rice obtained outside government channels appears to be nearing exhaustion. Gradual reduction in the cereal ration in August to a maximum of 2 hup (285 grams or 1,050 calories) per person per day, and a 10 per cent increase in the government retail price of cereals, effective 3 August. This reduction in the ration is mainly the result of the importation of only 7,800 metric tons of cereals and sugar in July, instead of the anticipated 35,000 metric tons. Unless scheduled imports for August, September and October arrive, the ration must of necessity be reduced even further. Such a reduction will result in serious consequence to the stability of the new Korean Government and to the security of occupation forces. As of 5 August, 78 per cent of summer grain collection goal of about 107,000 metric tons had been purchased.

Finance: Currency in circulation on 6 August totalled 30,488,000,000 won, a decrease of 52,000,000 won from 19 July. The decline is attributed to the withdrawal of funds for the purchase of summer grains. SKIG revenues for July reported by Bank of Chosun amounted to 1,739,000,000 won, compared with 2,011,000,000 won in June. Total revenues during April through July, i.e., the first four months of the fiscal year, were slightly over 7,000,000,000 won. The net SKIG overdraft increased during the same period by 3,963,000,000 won, of which approximately two billion is attributable to obligations incurred during the fiscal year ending 31 March. Although the net deficit for July was only 305,000,000 won, the average monthly deficit for the first four months of the current fiscal year is approximately the same as that for the similar period last year in absolute amount, although considerably less as percentage of total expenditures.

Average monthly expenditures are now running at a rate of about 2,233,000,000 won, or slightly below the average indicated by a total budget of more than 28,000,000,000, which does not include civilian supply materials and equipment furnished to government departments. The balance sheet of the Korean Foreign Exchange Bank as of 31 July indicates credit balances of 25,162,767 U.S. Dollars, including recent pay as you go settlements, 138,703 Hongkong dollars and 5,308 pounds sterling. Cash balance of the civilian supply account on 31 July amounted to 4,843,377,856 won, up only 120,000,000 won during July. During the first four months of the fiscal year cash receipts have totalled slightly less than 2,500,000,000 won, against posted sales of approximately 12,000,000,000 won. During the same period expenditures related to the distribution of civilian supply

materials have been 1,227,000,000 won; purchases of Korean materials for export, and related charges, 1,359,000,000 won; and post exchange purchases, 29,000,000 won. Total disbursements from the civilian supply account from April through July, therefore, have reached nearly 2,600,000,000 won, or about 100,000,000 won more than collections. It is clear that the full deflationary potential of the civilian supply program is not being realized.

Trade Between North and South KOREA: In order to control possible trade between North and South KOREA to the maximum extent the Department of Commerce on 2 August issued Department Order No. 4, entitled "Overland Interzonal Trade." This new order provides for controlled barter trade over the 38th parallel, with permits being issued for individual transactions by the Department of Commerce. The department is empowered to designate the type and kind of goods exchanged between occupation zones, as well as to control the manner of disposition of goods brought into South KOREA. Heretofore, barter favorable to South KOREA has been fostered, but no detailed procedural instructions had been issued. Efforts will be made to encourage import into South Korea of wood pulp, chemicals in short supply, and commercial fertilizers, in exchange for rubber shoes, light bulbs, cloth, etc.

Electric Power: To expedite the rehabilitation of the Yongwol coal mine and steam thermal plants, control of the Yongwol installations was placed under the direct control of the Department of Commerce, instead of under the Korea Electric Power Company as formerly. Power output in South KOREA has averaged about 80 megawatts since 10 July with output at daily peak periods going as high as 90 to 100 megawatts. Overall industrial production as a result of power shortage, continues at only 75 per cent of the level of March and April 1948.

#### b. Cost of Living

While cereals continued to rise in SEOUL during the week ending 6 August, other items of the 25 cost-of-living items remained relatively unchanged. Rice, on 6 August, reached 1250 won per small mal, an advance over the previous week of 14%. Barley prices rose 25% and wheat flour 6%.

Rice prices in SEOUL, checked 13 August in 5 open market exchanges, averaged 1278 won per small mal. This again is a new high.

#### Cost of Living Items Checked in Seoul (30 July-6 August)

± Polished rice	Matches	± Flannelette
± Barley	Beef	Kwae-mak (cloth)
± Wheat flour	Pork	Silk myungji (cloth)
Soy beans	Eggs	Silk sock 300 (cloth)
Red beans	± Radishes	Artemisite
- Dried Myungtai (fish)	Korean cabbage	Firewood
Sugar	- Rubber shoes	Cotton socks
- Salt	Laundry soap	Charcoal
	Soy sauce	

#### RICE PRICE SUMMARY - MONTHLY AVERAGES

Unit: 1 small mal (16.67 lbs.)

#### 2. Population

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

b. Progress of Repatriation This Period To Date

Japanese Civilians Arriving from  
N of 38° N KOREA, CHINA and MANCHURIA 0 288,532

	<u>This Period To Date</u>	
<u>Japanese Evacuated to JAPAN</u>	0	884,198
<u>Total Koreans Returning</u>	1,902*	2,154,703
<u>Total Repatriates Moved Since 15 Aug 45</u>		3,039,356
c. <u>Koreans Apprehended While Attempting Illegal Entry to JAPAN</u>		24,838

\*Incomplete

D. PSYCHOLOGICAL - REACTION TO RHEE'S APPOINTMENTS1. Press:

Newspaper comment on RHEE's Cabinet appointments began on 5 August and was still in progress at the completion of conclusion of the period covered by this report. Although numerous publications indicated that they were of the opinion that certain members of the Cabinet were well qualified for their positions, criticism of the Cabinet as a whole was unfavorable.

Right Wing Press: DONG A ILBO (Oriental Daily News) stated that people were disappointed in the organization of the Cabinet, that it was weak and contrary to the expectations of the people, who seriously doubt whether the new Cabinet will be able to cope with national affairs. The editor criticized President RHEE for disregarding his own policy of "staying above party affiliations" by making numerous appointments of a strictly personal nature.

KYENG HYANG SHIN MUN (Rural and Urban News) said that the long-awaited Cabinet was disappointing to the people since it was entirely "too fragile" and does not show the strength which the people had anticipated in the government structure. It was the opinion of the editor that the Cabinet was too weak to "perform the important duties of reconstructing the nation and improving the living condition of the people".

The most descriptive and scathing attacks on President RHEE's appointments came from DAE HAN ILBO (Great Korean Daily) which printed a series of editorials containing derogatory comments on the Cabinet members. DAE HAN's editor, LEE Chong Hyong likened the formation of the government to an ascent "like a rocket" and a descent "like a shower of rain." According to LEE, when RHEE became President, LEE Shi Yong became Vice President and LEE Bum Suk became Prime Minister, the government was still in its ascendancy. However, a downward trend began when RHEE began making his other appointments. LEE said that the outcome was "sufficient to turn our stomachs" and that no individual of "first caliber" was appointed. He also asserted that the "feeble Cabinet will not solve national problems" and offered this description of the Cabinet: "The new government cannot last long; probably a year. It is like a baby with one eye, one hand, crippled legs, a low nose, ugly mouth, deaf ears, a mute mouth — a strange creation who understands only how to eat the treasures of all Korea and nothing about secretion. The people's resentment is so great, said LEE, that they ask of their "greatest leader, Dr. RHEE" why he had given birth to such a "deformed baby." But, Lee went on, "no mother hates her own son" and Dr. RHEE, rather than end the life of a new child, "will probably be compelled to beat the new ministers as much as twelve times a day for their administrative inability."

ROOIN SIN BO (Womens Press) expressed an understanding of the desire "to speed things up" but asserted that RHEE and the officials of the new government were over-riding the wishes of the people by their present efforts. The writer also said that it was regrettable that the "proper men were not out in the right places."

2. Other Comment:

The calibre of RHEE's appointees gave rise to numerous witticisms to the effect that anyone-farmer, paddler, mechanic, etc.- could become a high official if the only requirement is that a friend occupies the Presidency or the top cabinet post. The various ministers were described by numerous observers as merely additional secretaries to President RHEE.

Reaction from Korean Directors in the South Korea Interim Government included statements to the effect that in many instances RHEE appointments were subject of ridicule to the majority of competent observers in South KOREA. A particularly raucous response was given to the nomination of LEE Kyo Son as Director of Planning. (LEE was later replaced.) It is felt that the new government will be little more than a tightly knit spoils machine. The government will be weak, it was stated, and the appointees will gather little public support; such conditions are conducive to a successful communist coup. This official also stated that he would venture to invest no part of his fortune in South Korea so long as the government showed no greater promise of economic stability.

A top ranking political leader outside the government offered the following suggestions on RHEE's appointments: YOON Tchi Young and CHANG Taik Sang are too small for their jobs; they have placed personal interest above national interest in the past and will continue to do so as long as they are in office. CHO Bong Am, a leftist, may possibly transmit information secured in State Council meetings to his communist friends, who in turn, will forward such intelligence to PYONGYANG. Regarding Louise YIM this leader stated that all Koreans were disgusted with her appointment and that she must be replaced. KIM Do Yun is regarded as honest and capable but this spokesman says he would not have selected KIM as Minister of Finance. AHN Ho Sang might do a good job, but, again, this prominent leader would not have made his selection. CHON Chin Han, Minister of Social Affairs, is regarded as a "loyal rightist labor leader" but he possesses insufficient administrative ability to warrant his appointment. YOON Suk Koo, Minister of Communications, "weak leftist," and this politico stated that when people in the provinces heard of his appointment they would be of the opinion that "anyone could serve in the government."

E. SABOTAGE AND ESPIONAGE

During daylight hours on 30 July the American telephone line between CHUNCHON (1060-1680) and SEOUL was cut by persons unknown. (C-3)

During the night of 11-12 August unknown saboteurs slashed the tire of a C-47 aircraft at KIMFU Air Force Base. (B-2)

On 29 July ASAN Gun (995-1558) police arrested a former PYONGYANG policeman who had been sent to South Korea by the NORTH KOREA LABOR PARTY for espionage purposes. His assigned targets included information concerning the South Korean Government, U.S. Army installations and the South Korean Police Force. (B-3)