

PART I
SOUTH KOREA

From: 081200/I Oct 48
To : 151200/I Oct 48

Headquarters, USAFIK
Seoul, Korea
15 October 1948

Secret

No. 161

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

A. ARMED FORCES

1. Strength (Secret)

Police: No Change.

Constabulary: 49,476 (including 1,041 cadets and 85 recruits)

Coast Guard: 3,013 (including 259 cadets)

2. Operational Activity (Confidential)

Border Incidents

At approximately 082300 October 2 groups of North Korean Constabularymen, each group composed of approximately 10 men entered the village of YONGDONG (923.7-1696.5). Each group attempted to burn a house. One Korean farmer was wounded. The NKC stole 3 oxen as they returned to North KOREA. (B-2)

At 111700 October a 7 man U.S. patrol observed 9 North Korean Constabularymen in the vicinity of (938.3-1697.5). The NKC later split into groups of 3 men each and 1 of these groups fired on 3 men of the U.S. patrol located at (938.55-1696.50). The U.S. patrol returned the fire, possibly killing 1 NKC and wounding another. (B-2)

At 121400 October an 8 man U.S. patrol from OP #14 (985.9-1695.0) was fired on by an estimated 36 North Korean Constabularymen at (980.4-1695.8). The U.S. patrol returned the fire; the firefight ended at 121500 October. A Korean interpreter with the U.S. patrol was slightly wounded and an estimated 5 casualties were inflicted on the NKC. (B-2)

On 08 October an unidentified surfaced submarine was first sighted about 8 miles off the northern coast of CHEJU-DO at 1215. At 1315 the submarine was again sighted on a course 90° and 25 miles off CHEJU-DO. (A-1)

It was described as being of "battered and rusty" appearance and flying a white flag which had a red star in the center and some red near the staff. Observers could not identify the type from photographs on file. Fifteen men were on deck. (A-1)

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	04-11 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	13-20 August	20-27 August	27 August - 03 September	03-10 September	10-17 September	17-24 September	24 September - 01 October	01-08 October	08-15 October	TOTAL
Border Incidents																				
Korean vs Korean	4	6	4	6	2	3	3	3	2	3	3	2	4	3	1	2	2	1	1	48
Firing on US Personnel		1	2		1	2	1		1	1				1	1	2	6	1	2	22
Ambushes of US Personnel						1														1
Soviet Violations of Parallel*					1									1						2
Korean Violations of Parallel*	2	1	1			1		1							1	1	1	2		10
Soviets vs Koreans	1										1	1								3
TOTAL	7	8	6	7	4	6	2	3	4	4	3	5	5	5	2	5	7	5	3	86

* No firing involved

B. CURRENT INTELLIGENCE

Investigation of Railroad Accident (Unclassified)

On 12 October, the Commanding General announced the findings of the Board of American Officers which investigated the train wreck on 14 September 1948 (W/S #158, page 6). General Coulter's statement follows:

"The Report of Investigation of the wreck of the "Liberator," 14 September 1948, made by a Board of American Officers, found that three rules of the regulations governing operation of railroads in Korea were not complied with, and resulted in the accident in which 36 Americans and 1 Korean lost their lives, and 66 Americans and 40 Koreans were injured.

"A motive, if any, for the failure to comply with the rules of operation was beyond the scope of the Board and is a matter pertaining to the Korean government.

"Immediately following the wreck, President Rhoo and other Korean Government officials expressed their great sorrow concerning the accident and advised the Commanding General, USAFIK, that steps had been taken to fix the responsibility and I am aware that corrective action has been initiated."

COMMENT: (Confidential) The Minister of Internal Affairs attributes the wreck to Communist sabotage and has some 35 Koreans awaiting trial for their part in it. CIO investigation has not been completed.

2. National Assembly (Confidential)

a. Members were elected on 12 October to the Special Investigation Committee established by the National Traitors Law to determine who should be prosecuted for pro-Japanese acts (W/S 157, page 6).

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b. After voting to amend the title of the bill to read "Temporary Law on Local Government Administration", the Assembly passed the bill on 14 October. The most important amendment to the bill before its passage placed control of the provincial police under the provincial governors. The bill was passed at the end of the second reading and returned to the Legislative Committee for final polishing. The provision for the appointment (rather than the election) of officials remained in the bill. (W/S 160, page 4). However, the law, as passed, is effective only for a period of 6 months. During this period a new law will be drafted and the machinery established to provide for the election of provincial officials.

COMMENT: The provision of the bill providing for the appointment of provincial governors by the President and the local authorities by the governor is an interim measure adopted until the regular bill is passed. The transfer of police control is a popular move.

Intervention in police control is still exercised by the Minister of Internal Affairs. It is expected that the Vice Minister will act in the capacity of administrative director of police until a qualified individual is appointed.

c. The Grain Purchasing Program (W/S 159, page 5) was signed by the President 09 October. According to the National Food Administration, no grain has yet been purchased.

d. HU Chung, new Minister of Transportation and the last Minister to report to the Assembly (W/S 160, page 4), appeared on 12 October and promised to deliver his policy statement at an early date.

e. On 13 and 14 October, 47 members of the Assembly presented a demand for the immediate withdrawal of US troops. Of the group, 29 are identified as non-partisans and the remainder as members of various rightist parties.

COMMENT: The action indicates that approximately 25% of the Assembly have succumbed to Communist propaganda, or the theories of KIM Koo and KIM Kyu Sik, or have let their nationalism blind them to the facts of life.

3. Cabinet Changes (Restricted)

LAH Ki Ho, formerly assistant director of Commerce and Industry in the South Korean Interim Government, was appointed Vice Minister of Transportation on 12 October.

According to Minister of Information KIM Dong Sung, MOON Chang Wook was never approved by President RHEE as Vice Minister of Education; therefore acceptance of his resignation by the President is not required (W/S 160, page 5).

4. KIM Koo and KIM Kyu Sik Again Return to Unreality (Confidential)

Recently attention has been called to the dispatch of a letter from the SOCIETY FOR THE ACCELERATION OF UNIFIED INDEPENDENCE signed by KIM Koo and KIM Kyu Sik (W/S 157, page 7) and a second letter from KIM Koo as chairman of the KOREAN INDEPENDENCE PARTY. Both letters were addressed to Trygve Lie, Secretary General of the United Nations General Assembly.

6. Moderate Activity (Confidential)

During meetings of the NATIONAL INDEPENDENCE FEDERATION's Standing Committee at the home of KIM Kyu Sik on 06 and 07 October, it was decided that the NIF would:

1. Organize additional branches;
2. Increase the number of members on the Standing Committee; and
3. Furnish an appearance of support of the Republic of Korea (the "South Korean government") in order to avoid police suppression.

The Standing Committee decided that while branch staff members must be informed of the need for appearing to support the government in South Korea, the ultimate NIF goal of unification will not change.

7. Press Activity (Restricted)

On 11 October the Government announced that the Korea Press "would be allowed to resume limited operations immediately for the distribution to its member newspapers of the world news reports of the United Press Associations of America and the Central News Agency of China. Resumption of other activities of the Korea Press will depend upon subsequent decisions." It was added that "the government has no intention of interfering with the principle of freedom of the press. The government does insist, however, that news reports be accurate, factual and unbiased."

On the following day, after an interview with President RHEE, 12 October, Miles W. Vaughn, a Vice President and Far East Representative of the United Press, reported that RHEE "is not opposed to fair criticism of the press but that he insists upon complete accuracy and impartiality in news reports."

Vaughn's report indicated that an amicable understanding had been reached regarding the functions and operations of newspapers. Primarily emphasized in Vaughn's interview with RHEE was the role of the papers against which action was taken (W/S #160, page 5) in the dissemination of "communist propaganda." There was "no objection to South Korean newspapers printing news accounts explaining that the Pyongyang Radio -- for obvious reasons -- is broadcasting attacks upon the Seoul regime. These attacks, however, in fairness, should emphasize the propaganda nature of the Pyongyang attacks."

Meanwhile, the Seoul police continued their investigation of the newspapermen recently arrested (W/S #160, page 5) and on 13 October Director of Public Information KIM Dong Sung cancelled the license of the Korea Press.

The next day, KIM issued a "Special Permit," effective 13 October to 13 November of this year to the United Press and the Chinese Central News Agency to use the facilities of the Korea Press. This permit, stated KIM, will be automatically revoked when the Korea Press becomes properly licensed for resumed operations.

At the time of issuance of the permit, KIM stated that "with due respect and courtesy this office (Public Information) wishes to render any assistance to these two agencies in releasing the world news in Korea."

8. Civil Unrest

a. Communist Activity (Confidential)

(1) The following reports concerning dates for communist riots and disturbances have been received during the period of this report; these are in addition to those reported previously (W/S #157, 158 and 160):

- (a) The NORTH KOREA LABOR PARTY ordered the ALL KOREA COUNCIL OF LABOR UNIONS to instigate general strikes in all factories in South Korea on or about 15 October 1948." (C-3)
- (b) "The South Korea Conference of Democratic Political Parties announced a resolution in connection with a send-off for the Soviet Army. Included were measures for organizing and launching a popular campaign in South Korea for the send-off." (Radio Pyongyang)

b. Communist Violence

(1) Weekly Violence Summary

A summary of acts of violence involving communists for the week as reported up to 15 October follows:

	SEOUL	KYONGGI-DO	KANGWON-DO	CHUNGCHONG	CHUNGCHONG	CHOLLA	CHOLLA	CHOLLA	KYONGSANG	KYONGSANG	KYONGSANG	CHUNDO	CHUNDO	TOTAL
Attacks on towns														
Attacks on police														
Police killed														
Rightists killed														
Constabulary killed														
Communists killed														11
Demonstrations, disorders, arson & attacks on rightists														
Attacks on government buildings														
Sabotage:														
Communications														
Railroad Lines														
Roads														
Power														
Strikes: Labor														
Schools														

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(2) Delayed Reports Convering Last Week

Delayed reports of incidents which occurred during the week ending 08 October but which were not carried in last week's summary (W/S #160, page 7) are:

	SEOUL	KYONGGI-DO	KANGWON-DO	CHUNGCHONG	NAMDO	CHUNGCING	PUKTO	CHOLLA	NAMDO	CHOLLA	KYONGSANG	KYONGSANG	PUKTO	CHJU	TOTAL
Attacks on town															
Attacks on police															
Police killed															
Rightists killed															
Communists killed							1				1			2	
Demonstrations, disorders, arson & attacks on rightists							3						1	4	
Attacks on Government buildings															
Sabotage:															
Communications															
Railroad Lines															
Roads															
Bridges															
Power															
Strikes: Labor															
Schools															

(3) 1948 Communist Activities in South Korea

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT*	TOTAL
Attacks on towns				5	73	9	1			2	90
Attacks on police		130	118	50	86	12	11	11	4	2	424
Police killed		33	20	15	34	4	1	5	1	8	121
Rightists killed	1	14	14	81	144	51	10	1	7	3	326
Constabulary killed										1	1
Communists killed	1	74	75	70	155	83	33	22	1	5	519
Demonstrations disorders, arson & attacks on rightists offices and homes	6	118	69	126	196	81	24	12	7	5	644
Attacks on government buildings			9	14	2	9	3				37
Sabotage:											
Communications	14	53	58	32	57	8	1				223
Railroad Lines	1	12	6		8		1				28
Locomotives		50	24								74
Roads		13	5	2	5			1			26
Bridges		6	9	5	4						24
Power					7	1					8
Strikes: Labor		14	6	3	16	1					40
School		7	5	4	9						25

*Incomplete

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c. Other 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 affiliations as reported up to 15 October 1948 is as follows:

	SEOUL	GYONGGI-DO	KANGHON-DO	CHUNGCHONG	YAMDO	CHUNGCHONG	PUKTO	CHOLLA	CHOLLA	PUKTO	GYONGSANG	YAMDO	GYONGSANG	PUKTO	CH'JU DO	TOTAL
Assassination																
Anti-grain collection																
Political Terrorism																
Demonstration																
Resistance to Arrest																
Unclassified																
Attacks on police		1														1
Attacks on Constabulary						1										1
Arson																
Attacks on individuals											1					1
Sabotage:																
Communications																
Railroad lines																
Power																
Bridges																
Strikes: Labor																
Schools																

(3) Delayed Reports Covering Last Week -- Negative

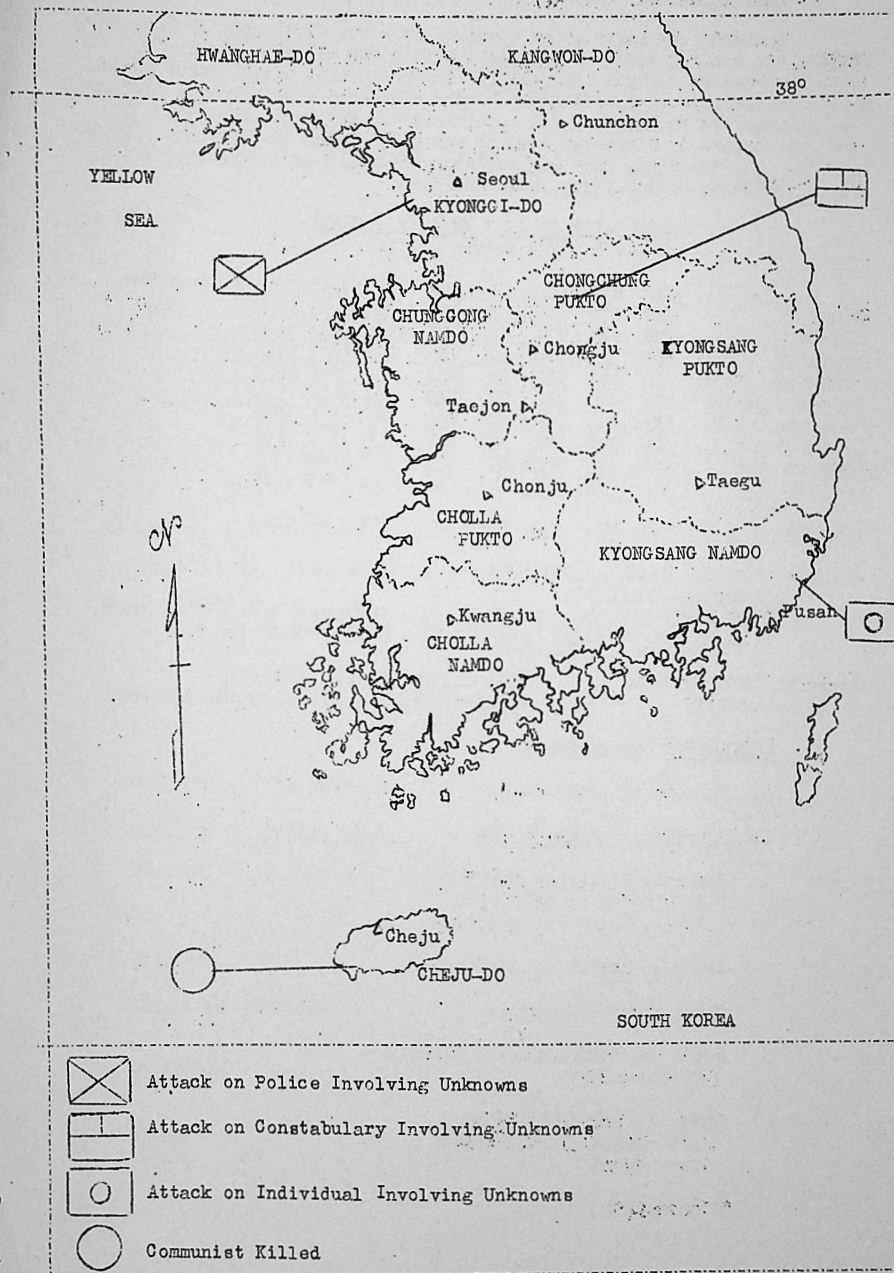
(4) Monthly summary of acts of violence on the part of persons of unknown political affiliations:

	JULY	AUGUST	SEPT	OCT*	TOTAL
Assassinations	7		4	1	12
Anti-grain collection	9	1			10
Political Terrorism	1	1			2
Demonstrations	15	9	3		27
Resistance to Arrest	5	9			14
Arson	2	3			5
Unclassified	11	11			22
Attacks on Police			1	2	4
Attacks on Constabulary				1	1
Attacks on individuals		4	3	2	9
Sabotage: Communications	1	4	4		9
Railroad lines				2	2
Power					
Bridges					
Strikes: Labor					
Schools	1				1

* Incomplete

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d. Civil Unrest Map



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C. MOBILIZATION POTENTIAL

1. Economic
- a. Cost-of-Living (Unclassified)

According to information received from the Civil Affairs Section, USAFIK, the general level of wholesale prices was slightly higher in September than in August. The decline in open market grain prices during September reflects prospects for a bumper rice crop and indicates that no marked upturn in the price index is probable in October. The index of wholesale prices in September was 186 per cent of the 1947 average. Higher prices for textiles, fuel and building materials were offset by lower prices for food, particularly grain and fish.

RICE PRICE SUMMARY MONTHLY AVERAGE

(Unit: 1 small metric mal (18.48 lbs.))

	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT*	OCT**
Seoul	817	821	778	721	814	985	1158	1200		850
Kanwon Do	870	946	849	825	898	1012	1136	1133		
Chungchong Nando	793	728	674	634	726	946	1037	1083		
Chungchong Pukto	645	723	719	660	795	1037	990	1033		
Kyongsang Nando	715	778	715	704	733	955	1070	950		
Kyongsang Pukto	594	605	552	605	641	888	1081	1050		
Cholla Nando	614	633	559	595	801	963	1109	1008		
Cholla Pukto	669	669	605	623	773	935	1036	1200		
Choeju Do	806	749	679	814	806	1081	1879	1033		
AVERAGE	713	744	681	725	777	978	1166	1087		

SOURCE: National Price Administration (except Sept and Oct prices).

* Incomplete

** 15 October price: Source: Open markets (5) in SEOUL: price is for the metric small mal (18.48 lbs. or 10 liters.)

Currency Exchange Rate
(Open Market)U.S. dollar equals 1,180 won
Military Payment Script equals 540 won.2. POPULATION (Restricted)

a. Surrendered and Disarmed No Change: 179,920

b. Progress of Repatriation This Period To DateJapanese Civilians Arriving
from North of 38° North
Korea, China and Manchuria 0 288,535

Japanese Evacuated to Japan 0 884,972

Total Koreans Returning 1,836* 2,175,097

Total Repatriates Moved Since
15 August 1945 3,062,454Koreans Apprehended While
Attempting Illegal Entry
Into Japan 0 25,594

* Incomplete

D. PSYCHOLOGICAL

Freedom of Expression: Self-contradictory clamors for freedom of expression continued to appear in the pages of Seoul newspapers. The moderate NATIONAL INDEPENDENCE FEDERATION (see Part I, B,) and the TAM SOO HOI (Fresh Water Society) (W/S #116, page 16) also added their voices to the cause of free expression in the aftermath of government action against three newspapers and a news agency (W/S #160, page 5). The NIF demanded the safeguarding of a basic right and the TAM SOO HOI urged the passage of a new, democratic newspaper law (the one currently in effect having been formulated in 1906).

KOOK MIN SHIN MUN's False Report

On 13 October KOOK MIN SHIN MUN (National News) reported that "according to information received from a high American official, Special Representative Muccio...has secretly been investigating the degree of support given the present government by the general population and has discovered that the government does not have the complete support of the people...According to information from other sources, Mr. Muccio has demanded that President RHEE reform his cabinet... According to another source, President RHEE has ordered the return of Ambassador CHOUGH Byung Ok... if he returns he will get a certain important position in the cabinet."

On the same day, Minister of Public Information KIM Dong Sung denied that there was any truth in the announcement, that the report was entirely groundless and was intended to "divert the support of the people away from the government. The government has decided to meet such anti-national acts with severe punishment."

Unrepentant, the KOOK MIN SHIN MUN ran Minister KIM's announcement with the following heading.

"The Republic of Korea is Totally Independent; Foreign Intervention Will Not Be Tolerated." The majority of the other Seoul papers headlined KIM's announcement as it was intended--that is, as a denial of a false report.

COMMENT: (Confidential) Minister KIM indicated that he intends to track down the origin of the report and, possibly, take legal measures against KOOK MIN SHIN MUN. This newspaper, he said, is being financed through the HEUNG HAN Financial Guild by wealthy PAK Hun Sik, controller of the giant WHASIN enterprises. (PAK Hun Sik is reportedly providing an 18 million won backing to a movement which would result in a substantial reorganization of RHEE's cabinet in which he (PAK) would be Minister of Commerce and Industry).

Invasion of South Korea and Dissension in the Ranks of the People's Army Leaders.

An article in the PYUNG WU IL BU (Peace Daily) of 19 October 1948 indicates that the leaders of the Communist ring in North Korea are busy supplying armaments to the forces of the North Korean People's Army for a conquest of South Korea. The same article also states that there is discord and dissension among the leaders of the North Korean People's Army. The article is based on interviews with officers who recently deserted from the People's Army.

E. SABOTAGE AND ESPIONAGE

Negative