

GENERAL HEADQUARTERS, FAR EAST COMMAND
ADJUTANT GENERAL'S OFFICE
RADIO AND CABLE CENTER

INCOMING MESSAGE

PRIORITY

FROM: CG USAFIK NR: ZGBI 171 26 FEB 49 CONTINUED

fertilizer and cotton cloth. Disillusioned farmers have been selling fertilizer certificates at large discounts. Indications are that the govt will go ahead with plans to collect rice by force, but the situation is explosive with disgruntled farmers opposing the move and rice-hungry consumers backing it.

2. The price of rice on the open markets of Seoul remained stable at 750 won per small mal (16.5 lbs) on 24 Feb.

3. Monetary exchange rates in Seoul on 24 Feb averaged 1020 won for 1 US silver certificate, a loss of 100 won from last week, and 700 won for 1 US mil payment certificate, a gain of 110 won.

Comment: The increase in the value of the mil payment certificate may be attributed to the vote of the National Assembly for the retention of US troops on 7 Feb. Silver certificate value fluctuates with supply.

Subversive.

1. During this period civil unrest diminished with only 4 incidents being reported. Police clashed twice with rebels in the province of Cholla-Namdo. Five rebels were killed, and 1 policeman was wounded. Police confiscated an M-1 rifle, 3 Japanese rifles, and automatic weapon and a duplicating machine.

2. Rebels attacked a village on Cheju-Do, and in the ensuing fight with police, 26 rebels and 1 policeman were killed, and 1 policeman was wounded.

3. A leader of the Great National Youth Corps was critically wounded when attacked by leftists at his home in Incheon.

4. A delayed report from Cheju-Do indicates 34 rebels and 6 civilians were killed when police intercepted a group of rebels, who had attacked a village, on 16 Feb.

5. Rebels are reported to be concentrating their forces at various points in Kyongsang-Pukto Province with a view to launching large-scale disturbances on 1 Mar. Chongdo (1160-1410) has been selected as initial target area.

Comment: The selection of 1 Mar as a day of uprising and unrest may be just another stage in the psychological phase of hostilities between rebel forces and agencies of the Korean Govt, although the Korean Army confirms the build-up of rebels in the area and recently moved a battalion of troops into Andong (1160-1520) for the first time. In any event,

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(over)
PRIORITY

Secret

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