From: CG XXIV Corps Seoul Korea sgd Hodge thru CINCPE
To: War Department for VARSOS (pass to Secretary of State)
Nr: C-69181 2200 40 17 January 1947
Subject is conditions in Korea:

A. The principle factor in political and social turmoil after 1 year and 6 months of occupation is the rapidly growing unrest and fumigation of all Koreans, because no visible progress has been made toward Korean independence. This is blamed on both US and Soviet Forces and Nations. This situation makes all Koreans vulnerable to unhappy agitation on any subject whatever, by any self-styled leader who will promise a solution no matter how wild. It is bringing toward readiness for action the general belief of Koreans that they will eventually have to fight for their independence. The lack of progress toward Korean independence does more than all else to nullify good will toward the US Forces and trust in our nations motives. The feeling is growing that we are sacrificing Korea as a pawn in the international game. Most Koreans are abandoning hope of any results from negotiations by the joint US-Soviet commission. This one factor alone is becoming more and more dangerous to accomplishments of our mission and may only bring on a general revolution with participation both by right and left.

The economic condition of Korea is growing steadily worse, with no hope of any great-betterment until shipments under the civilian supply program are resumed. Stock piles of raw materials are depleted, rundown equipment is breaking

CH-IN 3255 (16 Jan 47)
From: C-631
Mr: 0-60121
Z666
17 January 1947

up, and resultant industrial retrenchments are on the increase. As existing consumer goods are used up and production drops, prices continue to rise. It is impossible to control prices without requisite goods to place in the market. Lack of Korean technicians adds to a sad situation.

In addition to the general lowering of its efficiency due to cold weather, rail transportation is dropping off due to deterioration by long, hard usage by the Japs during the war with almost no upkeep. Additional motive power, long under negotiation but not yet arrived will go far to alleviate what may become the next critical single economic factor. Coupled with this is the continuing need for flow of bituminous coal from outside.

Electric power flow from north of 33 degrees is decreasing from month to month, apparently due to Soviet removal and deterioration of plant and transmission equipment. We are now using to fullest our own power production facilities and planning such increases as are possible, but it is and will be impossible to meet any but the most essential needs.

Despite strong economic opposition, the rice collection program is progressing and it appears probable that the collection will meet the minimum goal established, which will give some rise for rationing throughout the year until 1947 crop is available. However, statistics compiled in connection with collection confirm our original estimate of a decided food deficiency. It must also be borne in mind

MW-IN 3255
(18 Jan 47)

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From: 00 XXIV Corps Seoul Korea and Jodge thru CINCPE
Nr: 0-69181 2030
17 January 1947

that allilation of rice alone does not assure distribution. Transportation difficulties and strong Communist inspired opposition on the part of local inhabitants to rice control are already handicapping removal of rice from storage to distributing points. Encouraging is a trend away from the headlong general Korean opposition to any rice control and away from their over optimistic belief that the South Korea rice production is still at present (well fertilized) levels.

The political situation is undergoing realignments within the two camps of right and left and there is a possible emergence of a more moderate middle group, resulting from coalition efforts. The latter development has not progressed far enough as yet to make predictions. Despite our efforts otherwise, the leftist group is swinging back under extremists to loudly vocal opposition to the Moscow decision, and particularly "treatieship", due principally to lack of progress toward independence therefore to date. The sentiment back of this opposition has never changed in this group, though we were able for a time to obtain relative quietness. Since failure of their violent communist agitated disturbances last fall, the leftist group have been realigning and further consolidating and are developing a new "front". (South Korea Labor Party) for public attention. There is no change in the complete Communist control of this "front". By the announcement of dissolving the Communist Party with two of its controlled satellites, and their realignment in the formation of the Communist controlled and operated South Korea Labor Party, the Communist line appears presently to be gaining strength and followers, being aided, indirectly by the realignments and dissatisfaction within.

CM-IN 3655 (28 Jan 47)

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the rightist camp, the Radical Communists continue extremely active underground. The apparent quarrels within Communist ranks several weeks ago were unquestionably a smoke screen to give their "front" activities a new responsibility along the lines of the apparent plans obtained last spring. The final efforts of our persistent efforts to obtain a coalition cannot yet be predicted, except that we have apparently alienated some of the peaceful extreme rightist leaders, and gained little if any support from the left. If the budding middle of the road moderates gain strength, we have gained that much in stabilizing influence, and even actually to possible countermoves in the right wing support. The only possibility of leftist support is a complete surrender to to them of all power.

The interim legislature convened on 12th December and is still in an organizational stage. It holds much interest of Koreans, but started out on a grab for power to act as a full government, thus requiring firm steps to get in line. It is too early to predict its future or results gained, but I hope to be able to guide and educate it to uselessness and an aid in stabilization.

Extreme rightist groups backed by Ryugman Hwee and Chungking provisional government group are planning widespread demonstrations and disorders in protest against everything they feel delays Korean Independence. Including the Moscow decision, Allied Troops of both occupying nations, the American Command in Korea, and the American Military Government. Informants indicate they plan another March 1, 1947 revolution with such disorders as to force US to confine
From: CG XXIV Corps, Seoul, Korea and Halsey thru CINCPAC
No: C-69181 MO62 17 January 1947

Kim Koo and other prominent rightists in order to gain "as in North Korea", with both demands for immediate action.

I seriously doubt that the * any intention of re-opening the joint commission negotiations. It is my urgent recommendation that the State Department plan a positive line of action by the administration on the Korean case and be prepared to act promptly in case Soviet answer to my 24th December letter is unfavorable, or in case the letter is unanswered before the end of January. Nothing further.

* Being serviced.

ACTION: CAD
INFO: AAF, ASW, IS, PMO, ASG, PBS, COA

CM-1H 3255 (13 Jan 47) PMO 1707152 ave

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