From: CG XXIV Corps Seoul Korea sgd Hodge thru CINCPE
To: War Department for VARIOUS (pass to Secretary of State)
Nr: C-69161 2000 40

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 frustration 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 finally 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: O-60131  ZG66  17 January 1947

up, and resultant industrial retrocements 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 bad 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 most 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 removals and deterioration of plant and transmission equipment. We are now using to full heat our own 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 switching throughout the year until the 1947 crop is available. However, statistics compiled in connection with collection confirm our original estimates of a decided food deficiency. It must also be borne in mind

GN-IN 3255

(18 Jan 47)

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From: 00 XXIV Corps Seoul Korea and Hodge thru CINCPAC
To: 0-69181
Date: 17 January 1947

that collection 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 hard-core general Korean opposition to any rice control and away from their over-optimistic belief that the South Korea rice production is still at prewar (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 "treasonship," due mainly to lack of progress toward independence therefore to date. The sentiment 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 groups have been realigning and further consolidating and are developing a new "front" (South Korea Labor Party) for public consumption. There is no change in the complete Communist control of the "front." By the announcement of disbanding the Communist Party with two of its controlled satellites, and their amalgamation 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.
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From: OX XXIV Corps Seoul Leese and Hodge thru CINCPAC

Date: C-69181 XOGG 17 January 1947

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 rea-
sonability along the lines is revealed in their plans ob-
tained last spring. The final phase of our persistent
efforts to obtain a coalition cannot yet be predicted, ex-
cept that we have apparently alienated some of the powerful
extreme rightist leaders, and gained little if any support
from the left. If the bickering within the right moderates
and the middle ground is formed, we have gained that much in a stabilizing in-
fluence, and even actually may the possibility of extreme right wing support. The only possibility of leftist
support is a complete surrender to us 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
or future gained, but I hope to be able to guide and educate it to
usability and an aid in stabilization.

Extreme rightist groups backed by Byungman Hhee and
Chungking provisional government group are planning wide-
spread demonstrations and disorders in protest against every-
thing they feel delays Korean Independence, including the
Moscow decision. Allied Troops of both occupying nations,
the American Commander in Korea, and the American Military
Government. 21st Century revolution with such disorders as to force US to confine

CM-IN 3255    (16 Jan 47)
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From: CINCPAC

TO: CINCPAC

SUBJECT: SECRET

CINCPAC

MIL-HAP, No. 303 and No. 390 or 391
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5-67

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 reopening 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.

End.

Being surmised.

ACTION: CAD

INFO: AAP, ASW, IA, P&0, ASR, BUD, CIA

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