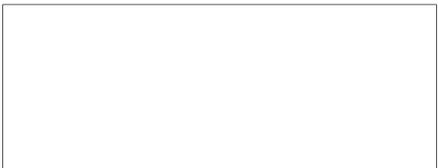


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25 May 1961



Copy No. C 78

CENTRAL INTELLIGENCE BULLETIN



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[Redacted]

South Korea: [The Watch Committee at its meeting on 24 May reached the following conclusion concerning South Korea.]
[Stability of the new government in South Korea is threatened by increasing factionalism in the Supreme Council for National Reconstruction. Continued lack of response by ROK Army officers to CINCUNC direction, the relief of experienced commanders, and the failure of the military regime to restore to CINCUNC operational control over some elements of the ROK armed forces have at least temporarily impaired the UNC military posture in South Korea. While there is no evidence of North Korean military preparations to take advantage of the unsettled situation, dissension within the coup group could make the ROK increasingly susceptible to Communist propaganda and subversion.]

[Redacted] (Backup, Page 4)

25 May 61

DAILY BRIEF

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South Korea

The Supreme Council for National Reconstruction (SCNR) is continuing efforts to promote popular support for the military regime. The thoroughness of the campaign was indicated by the details announced in the South Korean press concerning the demonstration held in Taegu on 22 May. Organizers are reported to have required that each household provide one participant; factories were ordered closed so that all employees could attend; all businessmen were ordered to be present. The groups from each precinct were required to bring two placards displaying approved slogans. About 35,000 people were present at the Taegu demonstration, but the rally was described as lackluster. The American Embassy reports that although there is evidence of "increasing disenchantment" on the part of educated persons and students, general public attitudes range from "acceptance of the coup and military rule to bewildered confusion as to changes."

Of the persons reported arrested since the coup, over 600 are politicians, 540 are teachers, but only 70 are students, bearing out previous indications that the regime intended to handle the student problem cautiously. The arrest of the politicians muzzles such potential opposition leaders as former speaker of the lower house Kwak Sang-hun, and vice speaker So Min-ho. [Foreign Minister Kim Hyong-il told American Chargé Green yesterday he had discussed the matter of the arrest of political leaders with the SCNR and that he was making efforts to get at least the members of the Chang Myon cabinet returned to their homes soon. Lieutenant General Chang To-yong also told Chargé Green yesterday that political arrests would soon be stopped and that certain persons who had been arrested would be released after they had been screened and cleared; he said that members of the Chang cabinet, with one or two exceptions, would be taken from jail and put under house arrest.]

[Air Force chief Lieutenant General Kim Shin told the American air attaché in Seoul on 22 May that regime leaders Chang To-yong and Pak Chong-hui had informed him the military]

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[redacted] officers under arrest might be shown some consideration when the situation was stabilized. However, he said that Lieutenant General Yi Han-lim, former commander of the First ROK Army, was an exception and his punishment probably would be severe. Yi's loyalty is especially suspected by the new regime because of his delay in announcing full support for the coup.]

The revolutionary government extended its controls to the provincial and municipal levels on 24 May by appointing nine general officers as governors and nine lower-ranking officers as mayors of cities. Field artillery units involved in the coup are reported to have returned to their previous front-line positions, but the four other major units withdrawn from their tactical positions were still in Seoul late yesterday.

Depressed business conditions are continuing as a result of the limitation on bank withdrawals to approximately \$700 per month. This limitation has almost stopped the movement of goods from manufacturers to retailers, and retail business is largely limited to the purchase of daily essentials. Bank of Korea officials report that administrative confusion is mounting over handling financial transactions. They are pressing for the removal of the cash withdrawal limit, or at least for permission to clear checks without regard to the limit. Strict measures to control prices and the arrest of grain "profiteers" as well as the distribution of government-controlled grains have decreased the retail prices of rice and barley below the pre-coup level. [redacted]

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