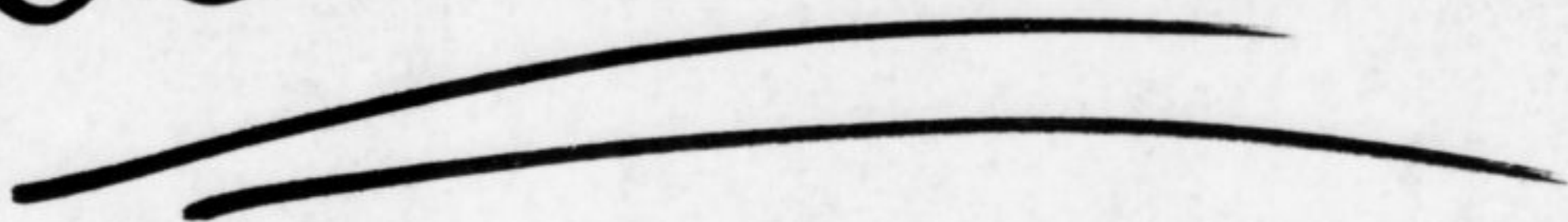


WEEKA

7 february,
1950!



WEEKKA



4 february

1950'



INCOMING MESSAGE

Search
ROUTINE

EHD/rjs

27 Feb 50

FROM : STATE DEPT WASH DC
TO : CINCPAC TOKYO JAPAN
NR : 271005 Z (FROM JAKARTA SIGNED COCHRAN-SENT DEPT
304, FEB 26, NOON) (WEEKA 6 POUCHED EMBASSY HAGUE,
PASSED CINCPAC AND USARPAC)

Political: With Westerling variously reported to be abroad or in hiding without further funds he appears eliminated as major factor although damage he and associates have done in terms bitterness mutual suspicion between Indonesians and Dutch likely to be long felt. His strength reported certain foreign observers apparently vastly overrated although problem KNIL-TNI relationship on which he hoped capitalize still remains difficult. Way may be eased by arrest some 100 treacherous Dutch officers and by prolonged stay Dutch War Secretary until basis solution found. Rusi-Provisional Parliament so far accomplished little as to organization or work. Fight over credentials dual delegations referred back to Pasundan State. Vague bill over future territorial organization introduced by Govt thought indicate latter feeling it's way this important delicate question. Press reports TNI successes over Daruli SLAGQ (as recd) in Brebes and Garut. Patta absent 10 days sick lv. Rusi replied Soviets it prefers discuss in Moscow procedure establish diplomatic relations.

Economic: Fga trade 1949 shown favorable balance 22 million guilders with exports 1449 million, imports 1427 million.

Radio Telephone Communication between Jakarta and Manila opening Mar 1st. (over)
59681

DECLASSIFIED PER JCS LTR OF
20 AUG. 75

Consult Crypto-Center before declassifying.

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 17 a (1) (2), and 41 c (2) (3), AR 380-5, 15 Nov 49.

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 51i and 60a, AR 380-5.



JAKART



021E

~~SECRET~~
ROUTINE

FROM : DEPT STATE NR : 271005 Z 27 FEB 50 CONT'D --- 3

Indonesians Economic Mission in Europe to negotiate Bilateral Trade Agreements has signed agreement with Sweden discussions UK are scheduled and others planned for West Germany, Poland, Italy and France.

Wave of strikes not affecting Sumatra East Coast. Garuda Indonesian Airways signs agreement employees for 45-hour wk higher wages.

Dutch planters and BPM oil officials first Europeans to inspect conditions plantations and oil fields Atjeh District North Sumatra since war. Official Rpt not yet issued, but press states shortage labor factory repairs and bad roads restricted extensive upkeep recent years.

Ministry Economic Affairs reiterates fgn exchange inducement scheme native rubber all Indonesia for fixed export quality ribbed smoked sheets and remills is 10% with 2% premium 3 highest grades. While barter still allowed where no banks available not intended extend system.

NO SIG

ACTION : G-2

INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, G-1,
G-3, G-4, AG, DIPLOMATIC, JSPOG

58681

~~SECRET~~
ROUTINE
-2-

TOO : 271005 Z
MCN : 57368

INCOMING MESSAGE

EHD/rjs

~~SECRET~~
PRIORITY

27 Feb 50

FROM : CG RYCOM OKINAWA

TO : CINCPAC (G-2) TOKYO JAPAN

NR : Y 20152

DECLASSIFIED PER JCS LTR OF
20 AUG. 75



WEEKA in 3 parts.

Part 1, Politics: Two new political parties are under consideration, according to Okinawa Civ Police. In Motobu, one Ogido Seishin has proposed the orgn of a political party friendly to Okinawa Civ Adm under the leadership of Inamine Ichiro, Vice President of the League of Okinawans in Japan (see cover, Int Summary, Ryukyus Comd, pd 1 to 15 Apr 49). It is expected that Inamine will seek permission to visit his mother presently ill at Nago Hosp.

Second new party being organized by Gushichan Tokusuke, conservative business man and member of Okinawa Assy (see 1 E, Int Summary, for pd 1 to 31 Oct 49). LUMC of "Racial Front" held Joint Political Meeting in Shuri on 23 Feb 50, climaxing eff propaganda campaign against Naha election (see Part 1, our WEEKA Y 20109 dtd 13 Feb 50). Audience of aprxly 600 persons applauded speakers who urged them to "join hands in mv to prevent reactionaries of Okinawa Civil Adm from robbing us of self-govt." Each of 6 speakers asked hearers, to attend court hearing on Naha Legality Issue "to see that judges do justice to the suit" (Hearing postponed again from 25 Feb to 8 Mar). Purpose of political ldrs to intimidate judges, all 3 of whom are residents of Shuri, appears obvious.

Part 2, Economics: See Part 3 below.

Part 3, Subversive: Members of Tenants Union, Communist front orgn of Amami Oshima, have demanded that Hirase Hikokichi, Mayor of Koniya Cho, auth sales of distr goods to public on credit or resign from off. Followers of Nakamura

58679

~~SECRET~~
(over)
PRIORITY

Consult Crypto-Center before declassifying.

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 17 a (1)

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 51i and 60a, AR 380-5.

Y 20175 refers



691E

[Signature]
PRIORITY

FROM : CG RYCOM NR : Y 20152 27 FEB 50 CONTINUED: --

Yasutaro, Communist ldr in Oshima, are forming new front orgn known as "Food Receivers Union." Koniya Police rpt purpose of union is to incite people of Koniya against Provisional Govt under guise of aiding the poor and needy. Nakamura and folls also attempting to gain control of public ofls union, a political gp believed to have 3,500 members in Northern Ryukyus. Formosan smugglers have advised Yonaguni Police that Formosan peasants refuse to accept Chinese curr for farm prod because they fear devaluation in event of Red invasion. Will sell for gold or B Type yen which can be sold to persons anticipating refuge in Ryukyus. Rate of exchange said to be 1 over 120 pound gold for 300 B yen.

NO SIG

ACTION : G-2

INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, G-1, G-3, G-4, AG, DIPLOMATIC, JSPOG, RYUKYUS MG

58679

PRIORITY
[Signature]
-2-

TOO : 270530 Z
MCN : 57365

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

INCOMING MESSAGE

[Handwritten signature]
ROUTINE

TER/rjs

25 Feb 50

[Handwritten '3' and initials]

FROM : SA WELLINGTON AUSTRALIA

TO : CINCFE TOKYO JAPAN



DECLASSIFIED PER DA CIRC. #127
23 DEC. 53

NR : 241307 Z (MSG 11 JOINT WEEKA NBR 8) (TO CSGID AND
FECOM)

Political: Govt announces plans receive 1000 European displaced persons 1950 including 200 women with dep children. National Council Federation Labor urges Waterside Union withdraw insulting ltr but agrees defer until conference question legality unions affiliation WFTU. Now evident Waterside leaders desire breakaway and form new Left Wing Trade Union Ctr. Editors denounce Hungarian spy trials as travesty justice.

Economic: Official estimates 2 principal grain crops slow compared last year 20% drop wheat 30% oats, barley up 6%. Works Minister announces former Govt pound 25 million Murupara pulp and paper project not now considered primarily. State undertaking but specially suited pvt enterprise. State vitally interested and concerned in providing rail and port facilities. Prime Minister announces land sales controls abolished all except farm properties today, Amelioration Tenancy Act and offering State houses for sale to occupants. Reserve Bank sterling exchange rose by 1,175,718 pounds period 1 to 15 Feb to 43,478,395, note issue receded by 555,780 pounds to 54,175,115 reserve ratio 31.5%. Chairman BOAC declares New Zealand should maintain strong fully operative fleet flying boats having great strategic and commercial value, such fleet would reduce possible isolation event world hostilities.

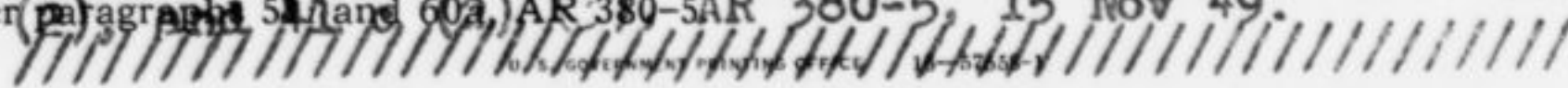
ACTION : G-2

SCOTTEN

INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, G-1, G-3, G-4,
AG, DIPLOMATIC, JSPOG
57979

TOO : 241307 Z
MCN : 57288

[Handwritten signature]
ROUTINE
Consult Crypto-Center before declassifying.
Paraphrase not required. Handle as correspondence of
per (paragraph 5A and 60a) AR 380-5AR 380-5, 15 Nov 49.



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

INCOMING MESSAGE

EHD/rjs

~~CONFIDENTIAL~~
ROUTINE

25 Feb 50

FROM : CG MARBO GUAM
TO : CINCPAC (ATTN: G-2) TOKYO JAPAN
NR : S 9758 MBGBI (WEEKA NBR 71)

Pol: None.
Economic: None.
Mil: None.

Subversive: Approx 5 attempts have been made to start fires in the Engr Depot here. Two fires set simultaneously 2330 hrs 21 Feb 50 indicated the planned nature of these fires. Planning poor. These attempts appear to be nuisance fires only.

Misc: An exec order emanating from Office of Gov of Guam has softened restrictions on entry of persons into Guam villages. Alien residents of Guam are still required to have passes at all times. Filipinos are in the "alien" class.

NO SIG

ACTION : G-2

DECLASSIFIED PER JCS LTR OF
20 AUG. 75

INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, G-1, G-3,
G-4, AG, DIPLOMATIC, JSPOG

58308

~~CONFIDENTIAL~~
ROUTINE

TOO : 250201 Z
MCN : 57333

Consult Crypto-Center before declassifying.
Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 17 a (1) (2), and 41 c (2) (3), AR 380-5, 15 Nov 49.

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 51i and 60a, AR 380-5.



~~SECRET~~

GENERAL HEADQUARTERS
FAR EAST COMMAND

OUTGOIN MESSAGE

GB/T Int/LJF/bd
24 February 1950

FROM: CINCFE TOKYO JAPAN
TO : DA WASH DC. ROUTINE
INFO: USMILAT SEOUL KOREA ROUTINE
CG US/RPAC HONOLULU HAWAII. ROUTINE

240904

C-11-0

For CSGID. Pass to USAF for info.

EX 55098

Subj is Joint Army-Air Weeka 8.

JAPAN:

POLITICAL:

INFORMATION COPY

(a) Important Changes or Contemplated Changes in Govt: Anti-Communist repatriates to be summoned before Diet Repatriation Committee to testify on charges that Japan Communist Secretary Gen TOKUDA Kyuichi requested Soviet authorities to retain non-Communist Japanese prisoners in Soviet. Many repatriates make signed statements that they personally heard Soviet officer refer to alleged TOKUDA request.

Japanese political parties, fr left-wing Social Democrats to Democratic Liberals, express surprise and uneasiness at announced Sino-Soviet pact, regret clause naming Japan as possible aggressor. Japan Communists hail treaty as peace bulwark. Premier YOSHIDA, after ofl silence on treaty, publicly expresses doubt that USSR will live up to agreement.

OYAMA Ikuo, political exile in US during war, announces plan to run for Upper House; plans to leads new extreme left political faction.

Comment: OYAMA, Waseda University professor, has been expressing increasingly pro-Communist views since return fr US; has recently allied self with former Social Democrats expelled fr party for pro-Red activities.

Two Coalition Democrats who had previously joined conservative merger (CINCFE Weeka 7) reverse stand and announce intention to join Opposition Democrats; others may follow.

Handling and transmission of literal plain text of this message as correspondence of the same classification has been authorized by the War Department in accordance with the provisions of paragraphs 16-C, 18-E, 53-D (1) (2) (3), and 60-A (1) (3) (4), AR 380-5, 6 March 1950.

DECLASSIFIED PER JCS LTR OF 20 AUG. 75



~~SECRET~~

Secret

Social Democratic reunification talks cont unsuccessful.

ECONOMIC:

(a) Proposed or Actual Economic Changes: Curr issue drops slightly with 300,873,000,000 yen in circulation 22 Feb. Rice quota deliveries as of 10 Feb reach 96.2 per cent of goal. Expect compl of goal before 31 Mar deadline. Food Agency to seek importation of 3,200,000 tons foodstuffs during fiscal 1950.

NORTH KOREA:

ECONOMIC:

(b) Economic Developments: Railroad line connecting Hongi-dong (4225-13031) and Soviet rail line in Maritime Province reported under construction 15 Jan 50. Line to run through Yonghyon-dong (4225-13035) and Gyachegi (4225-13039) and scheduled to be completed by May 50 or earlier. Part of line lying in Soviet territory reportedly already completed.

Comment: Rpt substantiates previous info on railroad construction in area concerned (FEC Int Summaries 2666, 2611). It is believed that construction of rail line connecting the Maritime Province with North Korean rail system is in progress and may well be completed near future, providing Soviets with direct rail connection with points in North Korea and indirectly with Manchuria, although lines may be of different gauges.

MIL:

(b) Change in Orgn: Navy Gen Hq reportedly located at Chinnampo (3844-12524) controls: naval 1st Div, with hq at Wonsan (3910-12726); brigade, with hq at Haeju (3802-12542); independent marine brigade, with hq at Chinnampo; independent marine regt at Chinnampo; and several smaller units scattered along both coasts.

Comment: Previous rpts stated Navy Gen Hq established at Wonsan (FEC Int Summary 2675), and three marine regts mentioned earlier (FEC Int Summary 2645). While too early to state that Peoples Navy has definitely expanded and new hq created, there are increasing indications to that effect.

Orgn of Peoples Air Force reported as brigade, with hq at Pyongyang (3901-12544). No further details given.



~~SECRET~~

FR CINCFE TOKYO JAPAN TO DA WASH DC GB/T Int/LJF/bd 24 Feb 50

Comment: Although unconfirmed, rpt is significant in view of many rpts concerning add aircraft being supplied North Korea by the USSR. If true, rpt possibly presages certain amount of decentralization of subordinate air units to fields other than Pyongyang. In this connection, small number aircraft reportedly have been operating fr field at Wonsan.

(c) Trp Movement: Three bns of arty moved into Sibyon-ni (3818-12642) Kumchon (3810-12628) area during Jan 50.

Comment: Report probably refers to 1st Div /arty Regt and if accurate represents a consolidation of that unit in area closer to 38 Parallel. This hq presently carries hq 1st Div Arty Regt and two bns at Pyongyang and one bn at Nemchonjom.

PHILIPPINES:

POLITICAL:

(c) Reactions to Important Events: Audit Office of PI Govt reported to President Quirino that Govt deficit of \$198,979,380 (US) foreseen by 30 June 50. Basis deficit prediction is: (1) estimated income to 30 June 50 is \$152,000,000 (US); (2) authorized expenditures total \$229,187,267 (US); (3) 30 June 49 deficit was \$41,055,279 (US); and (4) US budgetary loan and Central (Govt) Bank overdraft totals \$80,736,834 (US). Quirino reportedly considering modifications 1950-51 bud submitted recently (CINCFE Weeka 7).

Recent renewal by PI Govt of US free trade relations assailed in Senate as disadvantageous to PI because products enter US under quotas but US products to PI unlimited.

ECONOMIC:

(a) Proposed or Actual Economic Changes or Reforms: Quirino reportedly stated that peso will not be devalued either officially or extra-officially and that import control law will be extended beyond present expiration date of 30 Apr 50.

MIL:

(a) Changes or Contemplated Changes in Policy: President Quirino held conference with JUSM/G and top Army (PA) and Philippine Constabulary (PC) ofls for purpose planning program for restoration peace and order. Decisions form basis for implementing legislation to: (1) transfer responsibility for suppression major disturbances fr PC to PA; (2) create

~~SECRET~~



~~SECRET~~

armed forces propaganda corps for psychological warfare against Huks and Communists; (3) enact bill for surrender unlicensed firearms without penalty; and (4) provide insurance and disability benefits for soldiers in effort boost morale.

Comment: Transfer dissident suppression responsibility to Army may be compromise solution armed forces merger controversy (CINCFE Weekas 3 and 6).

SUBVERSIVE:

Rpts indicate leftist labor and Communist party leaders Mariano Balgos and Guillermo Capadocia making efforts cultivate armed forces Chief Maj Gen Castaneda with view overthrow Govt. Balgos reportedly forming "labor bns" to spt move against adm. Congress Labor Orgns (CLO) allegedly passed resolution 29 Jan authorizing CLO finance committee to solicit contributions for Huk families.

Increasing number rpts involving Americans in gun smuggling activities include (1) American Ellis P Skoilfield suspected using Philippine registry boat "S.S. Arctic" for gun running; (2) Philippine Army Int Div source stated Americans Verne Mac Key and C. Vickman promoting "arms deal" involving 7,000 carbines and submachine guns plus ammo; (3) Kenneth Piers, former US Navy Comdr, reported American registry yacht "Volador" overdue Hongkong after leaving Manila 28 Jan with ETA Hongkong 8 Feb. "Volador" in previous arms controversy with PI Govt. Yacht owned and operated by ex-Lt Comdr USN Gordon Ross. Thomas Simmons, business partner of late George Murray, among 10 Americans reported aboard "Volador". Simmons reportedly going to Hongkong to bring back Murray yacht "Mistress".

OFFICIAL:

APPROVED BY:

K. B. BUSH
Brigadier General, AGD
Adjutant General

WM R. GROVE JR
Colonel, GSC
Executive Officer

Copies to:

- C-in-C
- CofS
- G-3
- JSPOG
- RMGS
- FE/F (courier)
- G-2 return
- G-2 T/Int return
- G-2 CI Div return



THIS IS AN ORIGINAL MESSAGE

~~SECRET~~

SECRET

FR CINCFE TOKYO JAPAN TO DA WASH DC GB/T Int/LJF/bd 24 Feb 50

MEMO FOR RECORD

Joint Army-Air Weeka No. 8 radio, covering political, economic, mil and air situation in Japan, Korea, Philippines and Japanese Mandated Island, forwarded weekly to Dir of Int, WDGS in accordance with provisions of Chapter II, pars 23-29, MID, BID, 1 Sep 48.

LJF _____ 26-6021



DECLASSIFIED PER JCS LTR OF
20 AUG. 75

SECRET

INCOMING MESSAGE

Secret
PRIORITY

EHD/bgn

26 Feb 50



DECLASSIFIED PER JCS LTR OF
20 AUG. 75

FROM : DA WASH DC

TO : CINCFE TOKYO JAPAN

NR : 240900 Z (RELAYS MSG DTG 240900 Z FROM SANA SINGAPORE
SIGNED LANGDON TO HQS G-2 CINCFE TOKYO, HQS G-2 CG USARPAC
AND CSGID) (COPIES POUCHED LONDON, BANGKOK, MANILA, NEW
DELHI, KARACHI, RANGOON, JAKARTA, SAIGON, KUALA, LUMPUR)
(JOINT WEEKA NUMBER 8 DTD 24 FEB)

Singapore and Federation:

Political: After few weeks letup Pekin Radio resumed prop-
aganda favor armed struggle in Malaya including appeal to youth
and students naming Feb 21 as International Day of Struggle.

Comment: Appears be slight overall stiffening Commie resistance
due atmosphere created by British recognized Chinese Commies. Nine
Malay's sentenced death at Jibu for abetting murder Governor Sarawak
of which assessors recommend 7 for mercy. Murderers Rosli and
Moshidi at present stand under sentence death.

Comment: Anti-cessionists have probably lost cause by violence.
On pleas Con General Supreme Court made temporary order Feb 22 re-
straining ship officers from removing SS Hai Hsuan from Singapore
Harbor.

Comment: Injunctions tempy step in action enforce rights under
Hypothec Agreement between Govt China and US represented by Marit
Commission. Precedents unfavorable but have hopes success. Coun-
cillor CCN announced Singapore LSG Council he will propose increase
from 6 to 9 members elected by popular vote in addition 3 elected by
Chambers Commerce.

Comment: May be too rapid view apathy electorate. Actg
Governor Singapore announced compulsory education with English as
medium in new 7 to 10 year educ program. To implement same new
58377

Secret
PRIORITY

Consult Crypto-Center before declassifying.
Paraphrase not required. Handle as correspondence of
classification carried hereon per paragraphs 17 a (1)
(2) and 41 c (2) (3), AR 380-5, 15 Nov 49.
Paraphrase not required. Handle as correspondence of classification carried hereon
per paragraphs 51i and 60a, AR 380-5.



2518 *Secret*
PRIORITY

FROM : DA WASH DC NR : 251936 Z 26 FEB 50 CONT'D

schools for 90,000 children being built under supplementary budget 1st 18 to be ready by Sept.

Comment: At present are 120,000 children in Singapore schools of whom 40,000 being taught English and 70,000 medium Chinese. Under compulsory plan Chinese, Malaya and Indian languages will be taught but not used as medium. This is practical step in long term approach to de-sinicization and anglisization majority Chinese population.

Economic: Rubber reached new high topping 54 straits cents on prospective new buying by ECA for Europe. Replies to questions in Singapore Leg Council indicate US dollars released for imports into Singapore and Fedn and for other paymts in 1947 US \$174.7 million, reflecting progressive trade controls and deval stg. Rubber Packing Bill delayed passage in Singapore Leg Council until Constitutional Issue settled. These relate to loss by Singapore of certain powers in proposed joint colony and Fedn aim of bill. Identic bill was passed in Fedn.

Military: Slight reduction this week in total number bandit attacks but these still well above average for period up to 20 Jan 50. During night and morning of 22 Feb, guns of 26th Field Regiment placed heavy fire into suspected bandit hideouts in area within 20 miles of Kula Lumpur, Federation Capital. This noteable in that troops of 25th Field heretofor used as foot soldiers. On not more than 3 previous occasions during entire emergency have targets artillery targets presented themselves. Number 2 Malay bandit state of Pahang surrendered after 2 weeks in jungles this encouraging but far less significant than if had been Chinese bandit leader.

Naval and Air: Royal Air Force now employing Sunderlan flying boats in bandit operations Federation of Malaya. Planes armed with 20 pound anti-personnel bombs dropped from 1-2000 feet. Results to date unknown. Plane crew member of the opinion that bombs exploding from 2-300 feet in the air and in any event not on ground. Operations assumed to be for morale purposes of ground purposes even if when demoralizing to RAF Service Personnel.

NO SIG

ACTION : G-2

INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, G-1, G-3, G-4, AG, DIPLOMATIC, JSPOG

58377

PRIORITY
Secret
-2-

TOO : 240900 Z
MCN : 57345 Z

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

~~CONFIDENTIAL~~
INCOMING MESSAGE

ROUTINE



25 Feb 50

FROM : USMILAT SECUL KOREA

TO : DA (INTEL DIV USA) WASH DC

DECLASSIFIED PER JCS LTR OF
20 AUG. 75

INFO : CINCPAC TOKYO JAPAN, CG FEAF TOKYO JAPAN, COMNAVFE TOKYO
JAPAN, CG 7TH TASK FLT OAHU HI, CG ARMY GROUND FORCES
HAWAIIAN AREA FLEET AIR WG 1 (N)

NR 240830 Z

JOINT WEEKA Nbr 8 from SAN period 17 to 24 Feb.

South Korea. Economic:

1. Mission found ROK 4th qtr obligations and commitments exceeded estimated revenues by more than Won 9,000,000,000.

Comment: Mission obliged accept failure in efforts to balance budget during 4th qtr by reducing expenditures to 14.5 billion revenues. Fiscal year deficit expected reach 54.5 billion. Mission efforts now directed achievement budgetary balance by 1950-51 at about 85,000,000,000 level.

2. Currency circulation remained at previous weeks level.

Comment: Levelling off at 69.7 billions may indicate end deflationary effect of currency reduction from high of 76,000,000,000 5 Jan.

3. SCAP and ROK Representatives signed ltr of intent 18 Feb deliver 100,000 mtos Korean rice \$142 per net mton FOB Korean port, delivery commence Mar terminate Jun.

Comment: Final agreement supplies urgently needed support to balance Korean payments.

South Korea. Political:

1. International: Pres Rhee returned from 2 day Tokyo visit,

(Over)

58072

ROUTINE

Consult Crypto Center before declassifying.

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 17 a (1) (2), and 41 c (2)(3), AR 380-5, 15 Nov 49.

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 51i and 60a, AR 380-5.

CONNECTED COPY

~~ROUTINE~~
ROUTINE

FROM : USMILAT SEOUL NR : 240830 Z 25 Feb 50 CONT'D

having conferred SCAP, Jap Prime Min, other Jap officials, finding mutual ROK-Jap Govt desire cooperation, common resistance communism.

Comment: Meetings brief but represented historic occasion being first conversations leaders Japan-Korea since annexation with discovery common outlook good neighborliness.

2. UNCOK held 10th plenary meeting 19 Feb; UNCOK 1st Sub Committee on 20 Feb heard assembly speaker Shin Ik Hi on means reunification North and South Korea. Shin later told press general election should be held throughout Korea under ROK election law and that UNCOK Members should go to NK.

3. Domestic; Argument over Constitutional Amendment grew virulent during week. Assembly heard charges posters on Seoul walls denounced proponents constitutional revision as "Political Bandits". Anti-Amendment rally held 19 Feb Seoul Stadium with only 3,000 attending (stadium can hold up to 100,000). Sponsor announced as Federation Patriotic Organizations but speakers predominately from Korea Federation Trade Unions. Currently amendment support strong unless Pres rallies forces appears likely pass. Pres now preoccupied in endeavor line up sufficient assembly support to defeat amendment. In this connection Pres may go so far as to make cabinet changes in order augment support.

4. Defense Min Shin 16 Feb appeared before assembly to request emergency allocation 2,000,000,000 Won for Armed Forces food, clothing, salary. After sharp criticism Ministry's failure provide for these regular expenses in its budget drawn up beginning fiscal year, assembly approved request 17 Feb.

Comment: Ministers appeal to assembly direct result American Mission refusal, through American Mission-Korean Govt Economic Stabilization Committee, sanction expenditures funds not approved by assembly.

5. Despite scattering threatening hand bills in assembly hall signed by "Justice Skeleton Corps", assembly 22 Feb approved changes amended Natl Security Act, allowing appeal to 2 higher courts eliminating ex post facto provision previous law.

Comment: Liberalizing removes most objectionable features previous law.

6. NA repealed preamble and sections 1 and 4 of USAMGIK Ordinance Nr 19, but has not yet repealed or modified Section 3 under which Chinese Traders had been persecuted. NA repeals believed due desire eliminate laws dangerous to Legislators and their supporters in coming election campaign. Is expected Section 2 will receive subsequent attn.

North Korea Economic.

1. Pyongyang radio announced preparations for 4th anniversary celebration land reform 5 Mar.

58072

ROUTINE

-2-



~~CORRECTED COPY~~ 0218



~~ROUTINE~~

FROM : USMILAT SEOUL NR : 240830 Z 25 FEB 50 CONT'D

losses: KIA 9, POW 4, M-1 rifles 2 with 200 rds ammo.

D. 210100 elements 22d Regt engaged approx 30 guerrillas at Hap ROK RI (1206-1480). Friendly losses: Negative.

Guerrilla losses: KIA 12, POW 6, model 99 rifles 3 with 130 rds ammo.

E. 211400 elements 15th Regt engaged an unk nbr of guerrillas at Birae San (1030-1348). Friendly losses: Negative.

Guerrilla losses: KIA 25, carb 1, M-1 rifles 4, carbines 6, model 44 rifles 1, shotguns 2, grenades 2.

3. 34 guerrilla attacks on villages and police boxes repts. All minor except:

A. 221800 approx 70 guerrillas attacked Soji (1197-1376), burning 46 houses, killing 7 civ and wounding 1 civ.

4. Casualties arising from incidents repts during period: VA KIA 5, WIA 6, civ KIA 11, WIA 3, guerrillas KIA 181, POW 45.

5. Arms captured from guerrillas in incidents repts during period: M-1 rifles 14, carbines 14, Jap rifles 27, grenades 17, Bar 2, pistols 3.

6. Lost of alleged subversives (JOINT WEEKKA 7) now repts (to 257, total 58 Army 12 AF 9 Navy) all military mostly small fry (and 178 civ. 49th Army and 7th AF picked up to date. Further arrests of mil subversives quietly contg. Natl police withholding action apprehending civ pending authorization from Pres.

Comment: Probable above figures subject to downward revision of total and some relative changes in subtotals. Presence many civ on list employed in Govt bureaus probable reason police awaiting presidential permission for arrests.

7. Col Lee Hyung Mo, KAF (Ref ARMA 13) repts confessed to implication subversive activities.

MUCCIO

INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, G-1, G-2, G-3, G-4, AG, DIPLOMATIC, JSPOG

NOTE : Sig Comm Cen states this msg delayed due to service.

58072

~~ROUTINE~~

TO : 240830 Z
INFO : 57285

INCOMING MESSAGE

TER/bjf

~~Secret~~
ROUTINE

22 Feb 50

FROM : DEPT STATE WASH DC

TO : CINCFE TOKYO JAPAN

NR : 220505 Z (BOOK MSG) (SENT DEPT UNN FEB 21, 4 PM FROM
TAIPEI TO CNO, DNI, CSGID, CINCFE, COMNAVFE, CINCPAC,
ATOIN, COM 7TH FLT INFO ASTALUSNA HONG KONG ALUSNA
MANILA BY OTHER MEANS 200945 Z)

"Chinese document dated 16 February sent ASTALUSNA by
Admiral Kwei Yun-Chin when hastily translated says in sub-
stance as follows:

"In August 1949 Communist established institution called
Research Bureau located on 2d Floor Nbr 42 Kaosung St Hong Kong
under leadership Chien Chia Dkb Chiu with staff 60 plus per-
sons entrusted sole mission direct supervise Communist economist
and trade South China. Yeh Chien-Ying of Tatao Trading Company
located 2d Floor Nbr 44 Wen Han-See St Hong Kong has signed
agreement with G H Oliver, General Manager Acme Transport Ser-
vice Company Hong Kong for sale of 4 US-made LSTs and sales price
has been received. Are also negotiating for sale 2 more LSTs.
Ships were brought from Manila by William Caro, Manager of Far
Eastern Department of Acme Transport Service Company. LSTs were
US surplus given Philippine Government gratis and sold Philippine
business concern by auction and then resold Hong Kong. Deal was
made possible through efforts Maspricardsen, Personal Secretary
Acme Trading Company and Feng Hai-Ying, Manager Chinese Dept.
Both parties are Communist and have close relations with Kiang,
Vice Manager of Tatao Trading Company. Kiang is husband of

57187

(over)
ROUTINE

DECLASSIFIED PER JCS LTR OF
20 AUG. 75



Consult Crypto-Center before declassifying.
Paraphrase not required. Handle as correspondence of
classification carried hereon per paragraphs 17 a (1)
(2), and 41 c (2) (3), AR 380-5, 15 Nov 49.

Paraphrase not required. Handle as correspondence of classification carried hereon
per paragraphs 51i and 60a, AR 380-5.



3143

~~Secret~~
ROUTINE

FROM : DEPT STATE NR : 220505 Z 22 FEB 50 CONT'D

Yeh Chien-Ying's sister. 4 LSTs on which deal completed are Milens which has steel head and is 15 Ms 800 tons, Albert which is all steel and is 13.5 Ms 1200 tons, Cong which is all steel and is 12 Ms 1000 tons and the Hollna which has copper head and is 14 Ms 600 tons. Ships under negotiation are the Etering which all steel and 14 Ms 350 tons and the Moyes which is all steel and 1 fbzsin (as received) 5 Ms 500 tons. In addition 40 small all-steel LSTs varying from 400 to 800 tons are under negotiation.

"Original document being forwarded this date via Salqog Mmieurier (as received) air mail to CNO for further translation, information and dissemination as deemed necessary my 0014-500 AA 8. Signed Gaffert. Signed Strong."

NO SIG

ACTION : G-2

INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, G-3, AG, DIPLOMATIC, JSPOG

57187

ROUTINE

TOO : 220505 Z
MCN : 57241

~~Secret~~

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

INCOMING MESSAGE

~~Secret~~
PRIORITY

TER/bjf

20 Feb 50

FROM : CG RYCOM OKINAWA
TO : CINCFE (G-2) TOKYO JAPAN
NR : Y 20138

WEEKA in 3 parts.

Part 1. Politics: Feb issue of Popular Culture Magazine contains People's Party Propaganda written by Uechi Sakae, Cen Committee member. No decision in Ishikawa election hearing has been announced by 3 Okinawan judges who sat at Koza beginning 13 Feb. Informant has rptd that 100 Okinawan flags are being manufactured according to the design announced by the Governor on 25 Jan 50. Flag was designed by Yabu Kin, former member of People's Party Cen Committee. Ryukyus flag has flown at Hirara City High School since beginning of Ryukyuan new year, 17 Feb 50.

Part 2. Economics: No.

Part 3. Subversive: Oyama Mitsuji, President of Oshima Federated Young Men's Association, cont to be chief suspect in police investigation of inflammatory ltr addressed to all Young Men's Associations of Northern Ryukyus (See Part 3, our WEEKA Y 20098 dated 6 Feb 50). All evidence has been either destroyed or concealed. Southern Ryukyus newspapers are filled with items concerning Formosa. Miyara Chokyo, Ldr of People's Party of Yaeyama which is expected to dissolve 1 Mar 50, has mvd to Naha and his participation in activities of People's Party of Okinawa is anticipated. Miyara believed to be member of Japan Communist Party.

56345

(over)
PRIORITY

DECLASSIFIED PER JCS LTR, OE
20 AUG. 75

~~Secret~~

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Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 17 a (1) (2), and 41 c (2) (3), AR 380-5, 15 Nov 49.

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 51i and 60a, AR 380-5.



Y 20175 refno



3140

[Signature]
PRIORITY

FROM : CG RYCOM NR : Y 20138 20 FEB 50 CONT'D

NO SIG

ACTION : G-2

INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, G-1, G-3,
G-4, AG, DIPLOMATIC, JSPOG, RYUKYUS MG

56345

PRIORITY

[Signature]

-2-

TOO : 200700 Z
MCN : 57183

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

INCOMING MESSAGE

Confidential
ROUTINE

JA/1 J1

20 Feb 50

B
CINC

FROM : CG MAREO GUAM
TO : CINGFE (G-2) TOKYO JAPAN
NR : S 9752 MEGFI



DECLASSIFIED PER JCS LTR OF
20 AUG. 75

WEEKA Nbr 70 PX.

Mil: Jesus C Okiyama departed Guam for Manila this week via PAA carrying list of 18,000 PACFT parts recently declared excess and salv by Air Forces (see also MARBO WEEKA 68).

Economic:

None.

Political:

Organic Act for Guam gained another important step this week when Feb Pub Lands Committee approved Legislation providing Civil Govt, a Bill of Rights and citizenship for the people of Guam.

Subversive:

None.

Misc:

A Filipino Overseas Club was organized within MARBO recently ostensibly "For the purpose of fostering friendly relations among themselves, providing facilities to give every member an opportunity to spend ones leisure time wisely and establishing a more cordial public relations between the Filipino employees and other pers within the MARBO Comd in particular and the general public in Guam in general". Membership to be made up from Filipino Civ Employees working for and about MARBO Comd in Guam. This organ is yet too young to indicate trends or to spotlight personalities.

NO SIG

56248

Confidential
(over)
ROUTINE

Consult Crypto-Center before declassifying.

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 17 a (1) (2), and 41 a (2) (3), AR 380-5, 15 Nov 49.

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 51i and 60a, AR 380-5.

89747 Refusa



6818

~~Confidential~~
ROUTINE

FROM : CG MARBO GUAM NR : S 9752 MEGFI 20 FEB 50 CONT'D

ACTION : G-2

INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, G-1, G-3, G-4,
AG, DIPLOMATIC, JSPOG

56248

~~Confidential~~
ROUTINE
-2-

TOO : 200036 Z
MCN : 57181

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

INCOMING MESSAGE

ELT/mjo

Confidential
PRIORITY

19 Feb 50

FROM : DA WASH DC

TO : CINCFE (G-2) TOKYO JAPAN

NR : 182230 Z (MSG FROM SINGAPORE DTG 170400 Z SIGNED CALDER) (JOINT WEEKA NUMBER 7 FROM SANA DTD 17 FEB) (COPIES POUCHED LONDON, BANGKOK, MANILA, NEW DELHI, KARACHI, RANGOON, JAKARTA, SAIGON, KUALA, LUMPUR)

Spore and Federation:

Political: Mao-Stalin Pact heads news Editorial
British Colonial paper sees Mao not Stalin the hard bargainer and of opinion pact will not disturb those believing Nationalism stronger force in China than orthodox Communism.

Comment: Opinion appears hopeful thinking.

Chinese Nationalist freighter Hai Hsuan with cargo salt for SCAP which defected to Commies 25 Jan still in Spore harbor. CONGEN awaiting specific power attorney proceed behalf Maritime Commission. Copt Paul Paulsen US citizen licensed master and Adviser Minister Communications Rep of China arrived from US 13 Feb despite refusal Colonial Secretary furnish police protection unsuccessfully attempted 15 take possession of vessel. Colonial Secretary maintained dispute lies between former and present Chinese Governments and recommended Paulsen be guided by legal advice.

Comment: Due publicity Paulsen attempt feared Hai Hsuan may depart before either Paulsen able act or CONGEN receives necessary power attorney apply for court writ.

Tan Kah Kee member Chinese Consultive Committee returned Spore 15.

56081

(over)
PRIORITY

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AUG. 75.

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Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 51i and 60a, AR 380-5.



881E

~~Confidential~~
PRIORITY

FROM : DA WASH DC NR : 182230 Z 19 FEB 50 CONT'D

Comment: Commies no doubt will take advantage his presence win further overseas Chinese and others to their side.

Federation Malaya Council opposed Anti-corruption Law proposed by Acting Attorney General in move end bribery which he says widespread particularly among Govt Officials. Chief Secretary admitted existence.

Comment: Is earnest attempt remedy undermining public service.

Economic: Spore share market which sagged for year to mid 1949, regained much of loss by year end partly due to devaluation, sagged again early 1950 due political trend and uncertainty Southeast Asia seems now poised awaiting more news of prospects for Tory victory in impending British elections with likelihood will exhibit strength should local interpretations of news as stiffening of American Policy in Asia be supported. Many local industrial and other shares paying 12 to 14% at present prices hence should rise with any improvement in regional political outlook.

1949 production tin ore 73,212 tons compared 48 production of 59,754 tons or increase 13,458 tons or 22.52%. Increase considered significant in view continuation terrorist activities Federation Malaya. Tin mines reached 90% rehabilitation by end 49 thus leaving 10% potential. Tin price expected remain around pound sterling 580 per ton ex smelter for first half 1950.

Rubber prices still above \$.53 straits, tone easier.

Military: Negative.

Naval: Chungking ex HMS Aurora reported undergoing repairs and refit at Dairen under the command of Ten Chao Hsiang (Evaluation F-0).

Kettleman Hills ETA Spore 17 Feb from Tsingtao plans to take on bunkers and proceed to Mediterranean ports.

NO SIG

ACTION : G-2

INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, G-1, G-3, G-4, AG, DIPLOMATIC, JSPOG

56081

PRIORITY

~~Confidential~~

TOO : 182230 Z
MCN : 57171

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

~~RESTRICTED~~
INCOMING MESSAGE

ROUTINE

18 Feb 50

FROM : DA WASH DC

TO : CINCPAC TOKYO JAPAN

NR : 171339 Z (MSG FROM USMA WELLINGTON DTG 170100 Z.
TO FECOM NUMBER 9 JOINT WEEKA NUMBER 7 FROM SA
SIGNED SCOTTEN)



DECLASSIFIED PER DA CIRC. #127
23 DEC. 53

Political.

Wellington Trades Council meeting endorsed Federation of Labor Executive Expulsion Watersiders Union. Federation Labor officer states Watersiders must accept majority decisions of organized labor or "take their stand with their overseas totalitarian Communist affiliations, outside our democratic movement." Courtesy call by Waterside union chiefs on new Minister of Labor viewed by Right Wing Unionists as further evidence Communists more friendly to National than Labor Government. Ministerial statements reviewing departmental finances bitterly denounce Labor Administration. Laborites hit back with charges that Social Security benefits will be slashed and that other Nationalist reforms will result higher living costs for workers. High Commissioners in Canberra and Ottawa to be replaced by new appointees as yet unnamed. Secretary General Forsythe of South Pacific Commission leaves after weeks visit Wellington. Discussed arrangements forthcoming SUVA Congress where New Zealand dependencies to be represented by native members Local Legislative Councils. New Zealand recognized Bao Dai.

Economic.

Trend new governments policy to reduce public expenditure indicated in ministers review railway operations blaming largely 40 hours 5 day week and penal overtime payments for increasing deficit and suggesting main line electrification

(over)

55738

ROUTINE

~~RESTRICTED~~
Consult Crypto-Center before declassifying.

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631E

~~Restricted~~
ROUTINE

FROM : DA NR : 171337 Z 18 FEB. 50 CONTINUED

as contributory money saver. Health Minister predicts changes in Social Security system stating failure eliminate abuses and reasonably stabilize expenditure may necessitate some alternative system payments to doctors. British Merathon Airliner now undergoing trials in New Zealand for possible future use by NZNAC. Prices last day Wellington wool sale recovered 21/2%, moving 21,554 bales, under strong continental competition, with Russian participation, above Bradford limits. Permanent abolition cream rationing under strict war time regulations announced.

NO SIG

ACTION : G-2

INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, G-1,
G-3, G-4, AG, DIPLOMATIC, JSPOG

55738

ROUTINE

~~Restricted~~

TOO : 171339 Z
MCN : 57120

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

INCOMING MESSAGE PTS/oks

~~Confidential~~
ROUTINE

18 Feb 50

FROM : SMA MELBOURNE AUSTRALIA
TO : CSUSA WASH DC, CINCPAC TOKYO JAPAN
NR : 170245 Z (JOINT SANA WEEKA NBR C-44)

Political: Strong swing against State Labor Govt in NSW by elections held 11 Feb. Visit by King and Queen announced probable for spring 1952 which expected strengthen govt of the day in 1952 elections. First partisan move in appointments by new govt announced when labor appointee Vice President Taylor of Govt Airline Com not reappointed on expiration term 11 Feb. Press headlining reported tendency US shift def to Asia. Spender speech to press gathering 15 Feb emphasized acceptance commonwealth and coordination with US in fighting Communism. Hoped ack would emerge from Bangkok meeting that immediate struggle taking place that area. Press speculation re Bangkok conf has included expert fabrication of supposed agenda. ACTU ofl conferred with Prime Min subj proposed govt labor legislation, registered opposition to banning Communist from union office and enforcing secret strike ballots with familiar claim of interference union internal admin. Def Min Harrison announced as temp resident Min to London, retaining present Def post in leave status from Parliament; expected depart Aust about 1 Apr.

Economic: Additional cost to govt due extension family alms system (see WEEKA Nbr C-43) about \$33,750,000 annually, bringing total outlay for child endowment to \$103,250,000 next FY.

Military: Army rept good response cadet corps ret drive with total now 25,000 in 268 units.

55700

(over)
ROUTINE

DECLASSIFIED PER JCS LTR OF
20 AUG 75

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Paraphrase not required. Handle as correspondence of
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(2), and 41 c (2) (3), AR 380-5, dtd 15 November 1949.



Paraphrase not required. Handle as correspondence of classification, carried hereon per paragraphs 51i and 60a, AR 380-5.



5118

~~Confidential~~
ROUTINE

FROM: MELBOURNE NR : 170245 Z 18 FEB 50 CONT'D

Naval: Changes disp operating forces ran 17 through 23 Feb. CVL Sydney Hobart departs 19 for NZ waters arrive 22. CA Australia with DD Quadrant in tow en route Sydney to Melbourne arrives and departs 18 for NZ waters. DD Waramunga 18 enroute to join CVL Sydney at sea thence in co to NZ waters. DD Bataan Hobart with rudder defect awaiting docking. PK Culgoa en route Manus via Cairns to Sydney arrive 23. Ehomarchison depart Sydney 18 enroute NZ waters. Condamine anti-sub res tng Sydney area. SS Telemachus proceeding submerged east of 165 degrees east to Cape Farewell NZ arrive 23. With thorough antisub tng Sydney area. LST Labuanheard is. OMM Latrobe tng opn Westernport Area. AMS Gladstone aval lv refit Williamstown till 1 Mar. Tug reserve arrived Manus 12 from Moresby. T J Hawkins names Secy Dept Navy Vice A R Nankervis ret. DD Quadrant arrived Williamstown aval extensive refit alterations for fast anti-sub escort.

Air: Fed cabinet announces Melbourne (Essendon) to be international airport similiar those Sydney and Darwin. Air Mia states necessary expanded fac ready Essendon in 6 months; contingent additional reciprocal agreements with overseas countries for opn Aust acft those areas.

NO SIG

ACTION : G-2

INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, G-1, G-3, G-4, AG, DIPLOMATIC, JSPOG

55700

ROUTINE

TOO : 170245 Z
MCN : 57113

~~Confidential~~

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

INCOMING MESSAGE

WG/jbl



~~Secret~~
PRIORITY

Cir *C*

18 Feb 50

FROM : CG 13TH AF CAFB LUZON PI

TO : CINCPAC (G-2) TOKYO JAPAN, CG FEAF (FOR DEPUTY FOR INT)
TOKYO JAPAN, CG 5TH AF (DEPUTY FOR INT) NAGOYA JAPAN

NR : C 4738 D/I

WEEKA as fol:
Political:

A. General Auditing Office reported to Quirino Govt deficit 397,958,761 pesos foreseen 30 June 50. Breakdown:
Estimated income 304,000,000 until 30 June 50;
Authorized expenditures 458,374,534 pesos;
30 June 49 deficit 82,110,558 pesos;
US budgetary loan and Central Bank overdraft 161,473,669 pesos. Eval B-3.

Quirino considering modifications 50-51 national budget. Eval D-2.

Disclosures waste and unnecessary expenditures in procurement has started govt move to centralize all procurement. If adopted legislation will give one section full powers to make purchases for all branches and abolish depart purchasing activities. Existing facilities and stock inventories will be enlarged and present reimbursable fund procurement office will be increased from 1,000,000 pesos annually to 5,000,000 pesos. Eval B-3.

House Representatives approved move to adopt American budgetary system whereby Congress approves enabling acts for

55743

(over)
PRIORITY

DECLASSIFIED PER JCS LTR OF
20 AUG. 75

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0218

~~SECRET~~

PRIORITY

FROM : CG 13TH AF NR : C 4738 D/I DTD 18 FEB 50 CONT'D

projects but must supplement them by companion acts providing funds. Eval D-3.

(Comment: Congress currently approved appropriations without taking into account govt income).

House Committee import and price controls recommended abolition of relief and trade rehabilitation administration and substitution price stabilization administration to implement projected price control law. Agency to be under supervision price admin board with Vice Pres Fernando Lopez as chairman. Eval D-3.

(Comment: Pratra technically has lost legal existence since created Feb 47 under presidential emergency powers. Powers later nullified by Supreme Court).

Price import control committee approved policy immediate deportation any alien violating price control laws. Eval D-2.

Senator Lorenzo Sumulong stated plans bill requiring Central Bank to keep reasonable percentage gold reserves. Sumulong says present Central Bank power may be abused by any admin wishing to retain power. Eval D-3.

(Comment: Central Bank not required to keep any gold reserve nor 100 percent dollar backing for the peso. If authorized to give advances to the govt not exceeding 200,000,000 pesos until 51).

Rift developed liberal party representatives. Opposing factions headed by speaker Eugenio Perez and Cebu Congressman Miguel Cuenco. Cuenco faction largely represents Southern Islands. Cuenco charged Perez promoted dissention along sectional and regional lines. Eval D-2.

(Comment: Cuenco faction not "solid south" as some adhering Perez in interests party unity. Cuenco brother of Senate President Mariano Cuenco but rift confined to lower house).

Chinese business interests reputedly contributed 6,000,000 pesos during presidential campaign. Money used to;

(1) Induce ALP faction join QLP by payment ALP presidential campaign expenses,

(2) Offset QLP presidential campaign expenses,

(3) Silence Senator Vicente Sotto who threatened to expose deal. Eval C-6.

(Ref WEEKA 31 Dec 49). Acting immigration Commissioner (FNU) Bengson to be relieved according to Manila Chinese sources.

55743

PRIORITY

~~SECRET~~

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

INCOMING MESSAGE



~~SECRET~~

PRIORITY

FROM : CG 13TH AF NR : C 4738 D/I DTD 18 FEB 50 CONT'D

Reason for release allegedly Bengsons diligent application immigration laws interfering with immigration quota racket. Eval C-3.

Senators Camilio Osais and Eulogio Rodriguez Sr assailed extension Phil US free trade relations. Argued disadvantages to HG because products entering US under quotas but US products to PI unlimited. Eval D-2.

Economic:

A. Quirino stated;

(1) Govt not contemplating over-all price control,
(2) Reconstruction finance corporation loan emphasis to shift from real-estate and construction to economic development and all efforts must be concentrated on the increased production. Eval A-1.

Senate certified Toliver House Parides Bill outlawing individual possession silver coins in excess 50 pesos at one time. Coin crisis reportedly over due to release one centavo and five centavo pieces. Eval D-2.

(Ref WEEKA 10 Feb). 49 Gold production Phil total 287,500 ounces valued 20,125,000 pesos. 48 figures 209,200 ounces worth 1,464,400 pesos. Eval D-2.

Hong Kong past week. Remittances allegedly decreasing since exchange controls. Exchange controls circumvented by shipment goods which are sold for dollars or entrusting funds to travelers. Eval D-6.

Overseas telephone service inaugurated between Manila and Jakarta USI. Eval D-3.

B. Quirino stated Phil peso will not be devalued either officially or extra officially. Said import control law to be

55743

(over)
PRIORITY

~~SECRET~~

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Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 51i and 60a, AR 380-5.



6718

~~SECRET~~

PRIORITY

FROM : CG 13TH AF NR : C 4738 D/I DTD 18 FEB 50 CONF'D

extended after expiration 30 April 50. Eval D-3.

(Ref WEEKA 10 Feb). Financially embarrassed National Hospitals required immediate remedial governmental measures to remain operative. Anticipate Congress will pass 1,000,000 peso deficiency bill. Eval D-3.

Import control Commissioner Fufinoluna stated rigid licensing all imports including Bon controlled items is now pending in Congress. Eval D-2.

Foreign Secretary Felino Neri stated India has given formal notice desire enter Bilateral Trade Act. Negotiations expected soon. Eval B-2.

Congressman Jose Yulo recently returned US stated New York investors prepared invest 5,000,000 pesos development gold, copper and base metals Mindanao. Eval D-3.

Panaminas incorporated New York investing 3,000,000 pesos for machinery Mindanao mines, through subsidiary Masara Consolidated Mines, New York. Eval D-2.

Mil:

Conference Quirino, JUSMAG, top AFP and PC officials reportedly planned program to restore peace and order within one year. Decisions to form basis for implementing legislation;

(1) Creation propaganda corps in armed forces to undertake psychological warfare campaigns against Communists and/or Huks,

(2) Transfer responsibility for suppression major internal disturbances from Constabulary to Army as previously announced,

(3) Enactment bill for surrender unlicensed firearms within one year without penalty,

(4) Provide insurance and disability benefits to soldiers in effort to boost moral. Eval D-3.

(Comment: Transfer responsibility dissident suppression to Army is compromise solution Army MPC Merger controversy).

Morale top off Army, PC noticeably deteriorated due to condemnatory speeches and accusations by Senator Justino Montano. Montano demanded investigation and has released statements implying PC head Brigadier Gen Alberto Ramos and Secretary Interior Sotero Baluyut accepted bribes. Confidential report allegedly forwarded to Quirino in Washington embodying charges against high ranking Phil officials including;

55743

PRIORITY

~~SECRET~~

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

INCOMING MESSAGE



~~SECRET~~
PRIORITY

FROM : CG 13TH AF NR : C 4738 D/I DTD 18 FEB 50 CONT'D

- (1) Assistant Chief of Staff, G-2, PC Lt Col Macario Asistio for accepting bribes from opium dens, houses prostitution, gambling,
- (2) Chief CID Section, G-2 PC Major Celso Alikpalam for implication with opium smuggling and collecting bribe money for Brigadier Gen Ramon and Col Asistio and,
- (3) Brigadier Gen Ramon for receiving large sums protection money from Hacienda owners Tarlac Province,
- (4) Chief of Staff Armed Forces Phil Major Gen Mariano Castaneda for receiving large sums protection money Hacienda owners Tarlac. Eval B-6.

(Ref WEEKA 10 Feb 50). Naval:

Fishermen stated 3 submarines sighted off Nagsulu (14 degrees 15 North-120 degrees 45 E) and Balayan (13 degrees 57 North-120 degrees 50 East) Batangas Province, Luzon, latter sighting reportedly in Balayan Bay. Submarines allegedly surfaced approximately 0300 hours 4 Feb 50 and submerged shortly thereafter. Eval B-6.

Unidentified submarine put unknown number Chinese ashore at unidentified point Ulugan Bay (10 degrees 05 North-118 degrees 45 East). Eval C-6.

Dec 49 unidentified vessel patrol boat type shelled Barrio Raolle Point Bataan Island (20 degrees 43.9 North-111 degrees 48.1 East) 3 times during single day. Fol final shelling craft proceeded to Eastern Coast Island and disappeared. Eval B-6.

(Comment: Phil Naval patrol intelligence states no armed vessel Phil Govt was vicinity Batan Island day in question).

Miscellaneous:

A. Acting Secretary Health Regino G Padua starting intensified campaign for common disease immunization and lowering

55743

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PRIORITY

~~SECRET~~
5

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Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 51i and 60a, AR 380-5.



8113

~~Secret~~
PRIORITY

FROM : CG 13TH AF NR : C 4738 D/I DTD 18 FEB 50 CONF'D

death rate caused by tuberculosis and malaria. Program outlined for next 4 years. Stated installation public water supplies and sanitary control to be given special attention. Quarantine stations to be reconstructed to prevent introduction from abroad of cholera, smallpox, plague, typhoid and yellow fever. Eval B-2.
(Comment: No info as to funds available to implement program).

Chinese Consulate, Chinese Chamber Commerce and Chinese Nationalist Party estimate 152,000 Chinese in Phil presently. Bureau immigration report 4 Jan 49 listed 146,245 registered Chinese aliens. Bureau census report 48 indicated 126,955 Chinese aliens in Phil. Nationalist Congressional Assembly report 48 claims 67,000 Chinese Nationalist members. Chinese Communists 46 claimed 16,868 Communist. Eval B-6.

(Comment: Total close to armed forces estimates Chinese. Above figures only Chinese legally in Phil).

(Ref WEEKA 3 February 50). Miscellaneous:

B.. Additional Chinese Communist EEI for Phil;

(1) Strength and activity Phil Constabulary, Phil Army, Civilian Guards and Town Police in every town,

(2) Sketches barracks, camp sites above forces to include terrain features,

(3) Location strategically placed structures near armed forces camp sites. Eval B-2.

(Ref WEEKA 10 Feb 50). Chinese Communist Propaganda and Education Corps Hq Peking actively operating in Phil. Organization concentrating on Chinese schools with initial intent subverting teachers. Identified with movement is Manila Chinese Sy On (believed alias). Eval B-6.

17 Formosans apprehended by Phil Naval patrol vicinity Itbayat Island (20 degrees 40 North-121 degrees 50 East). 11 Formosans apprehended between Fermana Mayor Island (15 degrees 45 North-110 degrees 45 East) and Hermana Menor Island (15 degrees 40 North-190 degrees 50 East) in 10 ton ship Sing Chin registered with Takao Fishing Association, Takao Formosa. Phil Consul Formosa unable ascertain vessel registry legality. Eval C-3.

Phil intelligence suspects Sing Chin carrying Communist

55743

PRIORITY
~~Secret~~

-6-





INCOMING MESSAGE

~~Secret~~
PRIORITY

FROM : CG 13TH AF NR : C 4738 D/I 18 FEB 50 CONT'D

spies among crew members and operating Zambales Area. When initially sighted vessel was not flying flag but hoisted Chinese Nationalist Colors shortly thereafter. Eval B-3.

(Comment: Report possibly connected with announced United States and British Joint Naval maneuvers general area 3 Mar to 10 Mar. Phil Naval patrol PN and PC authorities alerted Zambales Area). Eval B-3.

Fishing boats bearing Chinese Nationalist Colors reportedly sighted near Shojh China sea coast vicinity Subic Bay and San Narczso (15 degrees 1.1 North-120 degrees 4.7 East) and San Antonio (15 degrees 8.2 North-120 degrees 51.3 East). Zolore Also report these boats smuggling Chinese into Phil. Eval B-6.

(Comment: Sing Chin apprehended under Chinese Nationalist Colors is believed to have passed vicinity above mentioned towns).

61 Japanese Nationals believed Okinawans apprehended by Phil Naval patrol vicinity Itbayat Island (20 degrees 40 North-121 degrees 50 E) in 7 boat loads comprising 1 motor launch towing 6 bancas. Gp in custody immigration officials. Eval C-3.

Phil Immigration Officials being investigated by OGID, aft in connection with illegal entry Chinese. Eval B-2.

PC officials allegedly preparing issue statements implicating NBI agents with illegal entry Chinese Phil as retaliation accusations made by NBI against PC in regard to grafts and corrupt administration. PC will attempt prove NBI agents responsible for fraudulent preparation alien certificates registration. In connection with this expose PC to arrest 23 Chinese aliens allegedly illegal entrants. Eval B-6.

Czechoslovakian National informed Intelligence Division Hq National Defense Forces illegal arms del involving 5,500 carbines, 1,500 Thompson submachine guns, 1,000 round per gun and 7,000,000 rounds believed to be 30 caliber. Deal involves

55743

(over)

PRIORITY

~~Secret~~
-7-

Consult Crypto-Center before declassifying.
Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 17 a (1) (2), and 41 e (2)(3), AR 380-5, 15 Nov 1949.
Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 51 and 60a, AR 380-5.



4418

~~Secret~~
PRIORITY

FROM : CG 13TH AF NR : C 4738 D/I DTD 18 FEB 50 CONT'D

American Verne MacKay and C Vickman as well as two presently unidentified Chinese. Eval F-6.

(Ref WEEKA 2 Dec 49). Caches TNT being confiscated numerous small islands Palawan Gp by joint action Phil Naval patrol and Phil Constabulary. Rumored TNT in question obtained from bombs, stored at base "R" Batangas, Batangas, Eval B-3.

(Comment: Major use this explosive probably illegal fishing. Rumors contend portions sold for sabotage).

Additional small cases explosives discovered Verde Island (13 degrees 30.3 North-121 degrees 4.5 East). Eval B-2.

(Ref WEEKA 3 Feb 50). American Ellis P Skoilfield suspected by Phil Naval patrol of gun running in Phil registered boat S S Artic. Boat described as "slightly smaller than mine sweeper." Eval B-6.

Ex-AUS Major Khalil Khoder reportedly participating in gun running and alien smuggling with Walter "Slumun" Mason and Lt Verzoza. Eval C-3.

(Ref WEEKA 10 Feb 50). Manila Chinese millionaire and Communist backer Alfonso Sycip listed as owner Fuga Island (18 degrees 45 North-121 degrees .5 East). Believed island actually belongs gp Manila Chinese headed by Sycip. Island approximately 15 miles long and 5 miles wide and has inoperative radio transmitter unknown wattage. Eval B-3.

Intelligence Div Phil Naval patrol reports Huks rumored moving from Jeuva Ucija and Nueva Vicaya northward with intent of joining forces Cagayan Province (18 degrees 00 North-122 degrees 00 East). Further rumored these units moved to be strengthened by Chinese advisors and/or mil. Eval C-6.

Other sources mention northern movement Huks. Eval F-2.

(Comment: Supplementation Huk units by Chinese could be readily made by illegal entry from Fuga Island).

"Major Gen" Mariano Balgos and "Brig Gen" Guillermo Capadocia reputedly sent letter inviting armed forces Phil Chief Staff Major Gen Mariano Castaneda and men to town Fiestalipa Batangas. Also stated were desirous of cooperating with Castaneda to fulfill mission against Quirino administration. 700 to 800 members labor battalion allegedly alerted to go to Lipa on Balgos order. Eval C-3.

55743

PRIORITY

~~Secret~~
-8-



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



INCOMING MESSAGE

Searched
PRIORITY

FROM : CG 13TH AF. NR : C 4738 D/1 DTD 18 FEB 50 CONT'D

Congress labor organizations passed resolution 29 Jan 50 authorizing finance committee to solicit volunteer contributions for Huk families and dependents. Eval B-3.

Officials CLO affiliate printer's union Phil officering Huk labor battalion. Allegedly in close liaison with Balgos, presently in Nueva Ecija Province. Eval B-3.

PAF estimate Huk situation period 1 Feb to 15 Feb 50;

(1) Scattered bands dissidents operating Central Luzon may regroup to present large offensive force centralized Cavite,

(2) Huk activities temporarily ceased Central and Northern Luzon as result "operation Bjuder" which broke up Huk concentrations,

(3) PAF believes Huks not exposing true capabilities in hope govt will underestimate forces,

(4) Huk strategy to;
(a) Place troops at "strategic points along coast line to make govt believe they are receiving aid from outside sources through submarines and other craft,"

(b) Organize additional sq including Chinese,
(c) Secure additional support from Chinese Communists sympathizers,

(d) Intensify propaganda campaigns. Eval B-2.
(Comment: PAF states "presence of foreign watercraft along coast yet to be proven and at present remains psychological device." This complacent attitude does not jibe with repeated reports unidentified craft operating these waters).

PC operation against Huks Isabela Province resulted in death fol Huk off:

(1) Organizer Phil National Peasants Union PKM

55743

(over)
PRIORITY

Searched
-9-

Consult Crypto-Center before declassifying.
Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 17 a (1) (2), and 41 c (2)(3), AR 380-5, 15 Nov 49.

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 51i and 60a, AR 380-5.

911E



~~Secret~~
PRIORITY

FROM : CG 13TH AF NR : C 4738 D/I DTD 18 FEB 50 CONT'D

Commander Mendoza Fnu alias Felutin;

(2) Commander Caquillo Fnu;

(3) Commander Morales Fnu; Eval B-3.

Filipino newspaperman D M Dalusong reportedly organizing "patriotic gp" of ex guerrillas resistance members, to take over Phil Govt. Objective to accomplished by liquidating top leaders administration. Size and extent of gp not known. Eval C-3.

Ex Congressman Jose Topacio Nueno allegedly disseminating terroristic propaganda Manila advocating elimination "Chinese merchants and opportunists" by liquidation and overthrow corrupt administration. Eval C-3.

(Comment: Neither gp above believed linked with any Communist organization).

American 2 masted schooner yacht Volador reported one week over due Hong Kong. Yacht involved with Phil Govt last month in arms smuggling controversy. Former Navy Lt Commander Gordon Ross owns and commands yacht. Thomas Simmons, business partner of late George Murray, aboard going to Hong Kong to bring back Murray yacht "Mistress." Volador allegedly American registry. Eval D-3.

2d Rescue Sq Clark AFB engaging in search for schooner. Eval A-1.

Mindanao residents plan counterfeit US 20 and 50 bills for Far East Areas, especially currency black market in Phil and China. Eval G-2.

(Ref WEEKA 10 Feb). Italian Army Capt Oscar Simonetti claiming to Mil Attache Italian Legation suspected as "potential enemy agent" by National Bureau Investigation. Simonetti presently in Rome; due to return to Manila within near future. Eval B-6.

NO SIG

ACTION : G-2

INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, G-1, G-3, G-4, AG, DIPLOMATIC, JSFOG

55743

PRIORITY

TOO : 170800 Z

MCN : 57121

~~Secret~~



INCOMING MESSAGE

~~Secret~~
ROUTINE

TER/rjs

18 Feb 50

FROM : ARMA SEOUL KOREA
TO : DA (INTEL DIV) WASH DC
INFO : CINCPAC (G-2) TOKYO JAPAN
NR : ARMA 13

Ref Para: Army Para 8 Joint WEEKA Nbr 7.
Col Lee Hyung Mo Comdg Flying Wing KAF and Lt Col Kim
Byong H¹ Chief of Staff 6th Div arrested in current round-up
alleged subversives. Both reptd highly involved. Orders
also sent out to arrest on same charges Lt Col Kim Yung Hum,
KAF, brother of Chief of Staff KAF.

NO SIG

INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, G-1, G-2, G-3,
G-4, AG, DIPLOMATIC, JSPOG, FEAF, COMNAVFE

DECLASSIFIED PER JCS LTR OF
20 AUG. 75



55919

~~ROUTINE~~

TOO : 181155 Z
MCN : 57149

Consult Crypto-Center before declassifying.
Paraphrase not required. Handle as correspondence of
classification carried hereon per paragraphs 17 a (1)
(2), and 41 c (2) (3), AR 380-5, 15 Nov 49.

Paraphrase not required. Handle as correspondence of classification carried hereon
per paragraphs 51 and 60a, AR 380-5.

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

INCOMING MESSAGE

~~Secret~~
ROUTINE

TER/cmK

18 Feb 50

C/C
SAA



DECLASSIFIED PER JCS LTR OF
20 AUG. 75

FROM : DA WASH DC

TO : CINCFE TOKYO JAPAN

NR : 180356 Z (RELAYS MSG FROM STATE DEPT)(SENT DEPT 272
FEB 17, 4 PM POUCHED EMBASSY HAGUR, TO CINCFE AND
USARPAC FROM JAKARTA)(WEEKA 7)

Political:

"Sukarno opened Provisional Parliament Feb 15 with address realistically outlining critical future problems. Speech well received Netherlands and moderate press, criticized by Republic Leftwing papers indicating Govt will probably face strong minority opposition. Parliament to discuss earliest draft Territorial Reorganization Bill. Westerling still at large, outbreak planned Jakarta Feb 15 quickly foiled with further loss ammunition and Lieutenants. Thru confessions arrestees Rusi discovering Netherlands Officer Corps involved Westerling plot, particularly Army info service. At instance visiting Netherlands War Secretary Netherlands Command arrested numerous officers. Big problem still remains disposition KNIL, many of whom are embittered, not desired in corporation TNI and are susceptible further desertions. 2 recent dangerous incidents successfully suppressed. Indonesians indicate maintenance order coming weeks depend Netherlands ability handle, disarm KNIL who ineligible acceptance TNI. Radical Press critical US-BANGKOK Conference presaging sea involvement US military plans. No reaction yet Sino-Soviet Treaty."

Economic:

"Announcement of \$100,000,000 export-import loan Indonesians for reconstruction projects well received locally (except in

55970

(over)
ROUTINE

~~Secret~~

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Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 51i and 60a, AR 380-5.

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JA-KART

TELE

~~Secret~~
ROUTINE

FROM : DA WASH DC NR : 180356 Z 18 FEB 50 CONT'D

predominantly Leftwing Press) although emphasis still placed general purpose loan meet fiscal deficit. Sukarnos speech opening Parliament frankly reviewed difficult position govt finances with anticipated deficit 1950 of 2,650,000,000 guilders, half of which represents military expenditures PRA to meet deficit necessary reduce govt expenditures, float national loan and possibly foreign loans in Netherlands and US. President emphasized need increased products for export to open up employment opportunities and replace imports with domestic products".

"Strike Batas 2000 workers resumed when labor demand for 30% wage increase rejected. Resumption strike bank workers threatened with workers rejection offers made by fact orig may include workers Bandung and Cheribon branches. Cordesius 900 workers discharged when management terminated discussions strikers."

" Rationing resumed Jakarta next week after months stoppage with distribution sugar, matches, cigarettes, other items".

COCHRAN

ACTION : G-2

INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, G-1, G-3, G-4,
AG, DIPLOMATIC, JSPOG



55970

ROUTINE
~~Secret~~
-2-

TOO : 180356 Z
MCN : 57152

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



INCOMING MESSAGE

[Signature]
PRIORITY

WG/ewj

18 Feb 50

FROM : SA KARACHI PAKISTAN
TO : GINCFE TOKYO JAPAN, CG USARPAC FT SHAFTER TH, DA WASH DC
NR : 172103 Z (JOINT WEEKA 7 FROM SA WOLF MEYERS 17)

Political: (~~Restricted~~)

PRIMIN in official statement repudiates insinuations Nehru and Patel re Bengal disturbances charging them with being "singularly ill informed" if they did not know of plans of Mahassab-hites, RSS and council. Reports situation East Bengal well under control and expresses hope law and order will soon be restored. President Muslim League declared Pak will soon ask UN to solve Muslim minority problem India.

GOP announces loan 500,000 pounds sterling to Burma in accord Colombo Agreement.

Economic: (~~Restricted~~)

Economic Mission from Dept Army and SCAP arrives study possibilities increase trade between Pak-Japan. While mission not empowered negotiate leader expresses confidence Japan will reconsider decisions re procurement both wheat cotton. Local cotton market which had broken badly with prices including export tariff approaching US parity rallied sharply after publicity re mission released.

No new developments not already reported re Indo-Pak trade impasse due devaluation dispute, but no evidence any solution imminent. Coal shortage becoming more critical East Bengal.

IBRD Mission arrives for survey general economic financial situation. IMF membership being studied by Pak but not yet

55806

(over)
PRIORITY

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Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 51i and 60a, AR 380-5.



081E

~~Secret~~
PRIORITY



FROM : SA KARACHI NR : 172103 Z DTD 18 FEB 50 CONT'D

considered cabinet and no final action possible without prior approval Pak Parliament, which may cause considerable delay.

Revision existing trade agreement between Pak-UK expected soon, due increasing pressure local business interests.

Pak Industries Min promises early consideration protective tariff cotton textiles order stimulate development domestic textile industry.

Army: (~~Secret~~)

Discussions with Secy of Defense, Director Intelligence, DCoS and personal observation further establishes Pak has no offensive plans contemplated against India. Any recurrence of fighting in Kashmir will have to be started by India. DCoS sees all minutes of cabinet meetings and there has been no indication of anything but defensive measures. In all communications it has been merely to take defensive and pre-cautionary measures. DCoS told me this morning that Field Marshal Auchinleck had told him in conversation last night he saw no evidence of anything but defensive activities and considered that in some cases Pak taking chances by not strengthening some of their positions. CURMA has appointment to discuss matter with Auchinleck this evening and DCoS has informed Auchinleck that ARMA is in picture and can be talked to freely. Auchinleck told DCoS he found some hot heads in different messes visited but could see no indication of governmental or top service level which indicated any steps being taken to start mil action unless forced into it by Indian aggression.

Comment: ARMA talked several brig commanders who have recently been posted to Brigs in the 12th Div Area and none of them indicated anything but continuing their defensive positions. Dir Intelligence stated he had most enjoyable talk with Col Mynderse, ARMA Kjbul, and was delighted Mynderse had remained Peshawar long enough discuss Afghan-Pak problem. Stated he had told Mynderse to visit any place he wanted and that arrangements could be made with political agents to take him into tribal areas if he so desired.

NO SIG

ACTION : G-2

INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, G-1, G-3, G-4,
AG, DIPLOMATIC, JSPOG

55806

PRIORITY

TOO : 172103 Z

MCN : 57132

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

INCOMING MESSAGE

PTS/pks

~~Secret~~
ROUTINE

C/C

17 Feb 50

FROM : USMILAT SEOUL KOREA

TO : DA (INTEL DIV USA) WASH DC

INFO : CINCPAC TOKYO JAPAN (PLEASE PASS COMNAVFE AND REAF BY
COURIER FOR INFO), CG USARPAC FT SHAFTER TH, CINCPACFLT
PEARL HARBOR TH, COM 7TH TASK FLT (AT SEA)

NR : 171000 Z (JOINT WEEKA NO 7 FROM SANA PERIOD 10 TO 17
FEB):

South Korea economic.

1. Further slight decline in money supply registered
with currency circulation reptd 69.7 billion 13 Feb.

Comment: Contd decline attributed seasonal loan repay-
ments and stagnation rice purchase program. Overdraft
increasing but at reduced rate.

2. Negotiation long pending proposed rice sale Japan
contg in Tokyo.

Comment: ROK now asking \$145.75 per ton versus SCAP
bid \$142 on net basis. Shipping and inspection terms also
at issue. Agreed delivery terms defer bulk of shipment to
second qtr 1950.

3. Seoul rice price rose again to 1800 won per small
mal (16.5 lbs) 16 Feb near post liberation high 1950 won
reached Jan.

Comment: Despite initiation general rice ration involving
about 2.1 million persons at end Jan and Govt rice sales since
14 Jan rice price has failed decline appreciably. Reptd re-
duction daily sales govt rice to maximum 50 per cent of normal

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(2), and 41 c (2) (3), AR 380-5, dtd 15 November 1949.



Paraphrase not required. Handle as correspondence of classification carried hereon
per paragraphs 51i and 60a, AR 380-5.

8218

Secret
ROUTINE



FROM : SEOUL NR : 171000 Z 17 FEB 50 CONT'D

daily Seoul needs (2500 SUK) beginning 7 Feb May have contributed somewhat current upswing. Contd low confidence in currency and anticipated seasonal rice price increases appears primary factors.

South Korea political:

1. International. Pres Rhee departed 16 Feb for three-day trip to Japan in response SCAP invitation. He will discuss problems mutual interest with SCAP and meet Jap Prime Minister and leading Diet officials. UNCOK held first public meeting 13 Feb attended by ROK notables and foreign mission representatives. Heard repts its committee of whole and sub committee 1. 14 Feb delegates headed by chairman Gulek departed for tour Taegu area to observe guerrilla activity.

Comment: Committee of whole considering recommendations to UN re asg military observers Korea; Taegu visit this connection. Plan visit Kangnung area coming week. Iceland recognition Korea 11 Feb announced in Seoul papers. Korean Amb Tokyo Cynn came to Seoul on visit 11 Feb returning Japan 15 Feb.

2. Domestic. Following apt Paek Sung Ook as Home Min, Vice Min Chang Kyung Keun and bureau Chiefs Public Peace, Lee Ho, and local affairs, Lee Hae Ik, submitted resignations. Lee Ho resignation accepted.

Comment: Lee Ho replaced by Kim Pyung Wan, formerly Provincial Police Chief South Cholla and more recently Chief Korean Fire Dept. Vice Min Chang remaining at request New Home Min. Latter at press conference 13 Feb called for orgn of nation into groups 100 households called "Ho" each headed by volunteer aged over 50 with full police power.

3. Prosecution closed its case 10 Feb against 15 Assemblymen charged with violating natl security law; defense rested on 13 Feb; sentencing set for 28 Feb. In 2 hour speech before packed courtroom, prosecution demanded 12 year prison terms for Ro Il Hwan and Lee Moon Wun; 8 years for Kim Yak Soo, former assembly vice chairman, and Pak Yoon Wun; and terms ranging from 18 months to 6 years for others. Prosecution summation of govt case based on:

(1) Alleged confession of defendants (particularly Ro) obtained in pre-trial questioning and denied in court by defendants, and

(2) Contention that defendants advocacy of troop withdrawals, being parallel to South Korea Labor Party line,

55708

ROUTINE

Secret
-2-

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

INCOMING MESSAGE



Secret
ROUTINE

FROM : SEOUL NR : 171000 Z 17 FEB 50 CONT'D

must have been ordered by SKLP. Prosecution denied defense request for 18 witnesses in their behalf. Judge described case as being one involving traitors to nation which remark caused 10 defense attorneys to withdraw. Defendants however consistently denied subversion or SKLP affiliation and claimed their actions were based on "National Patriotism". Acquittal asked by all.

4. Assembly 15 Feb repealed CHC USARPAC Proclamation No 2 of 7 Sep 1945 specifying punishment for violations of occupying powers orders and sections 1 and 4 of USAMGIK Ordinance No 19 30 Oct 45 declaring natl emergency and prohibiting acts contrary to public welfare or military govt orders.

Comment: Assembly action another move in continuous process to repeal mil govt ordinances regarded as casting shadow on autonomy of ROK.

5. Assembly Committee on legislation and justice 9 Feb proposed further liberalization of govt proposed modifications to amended natl security law. Assembly committee supported govt proposal eliminations ex post facto provision of law proposed allowing appeal to two higher courts and asked limitations on judges right to keep convicted persons in prison by extending length of original sentence.

6. DNP plurality in assembly carried motion to postpone "indefinitely" trip of assembly party to US.

Comment: Debate indicated DNP group in assembly, chief proponent Constitutional amendments to limit powers of pres, wanted chairman Shin Ik Hi on hand for voting on amendments.

North Korea Political:

1. Last week Pyongyang radio increased its coverage of public activities of Mao Tse Tung and Chou En Lai in Moscow but still shunned comment on progress of Sino-Soviet negotiations.

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Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 51i and 60a, AR 380-5.

4218

Secret

ROUTINE



FROM : SEOUL NR : 171000 Z 17 FEB 50 CONT'D

2. Pyongyang radio announced exchange of diplomatic envoys with Hungary.

Comment: This closely on announcement that North Korean Regime proposes to exchange envoys with Viet Nam Regime and may foreshadow program to expand exchange of diplomatic envoys with fellow Soviet Satellites.

3. NK propaganda organs vociferously joined Satellite chorus supporting Soviet demand for trial of Hirohito and other alleged Jap war criminals.

4. Pyongyang radio untiringly contd to incite guerilla warfare and subversive activity against ROK. Another major propaganda theme was celebration 8 Feb of second anniversary of estab of "North Korean Peoples Armed Forces."

North Korea Economic:

1. Pyongyang radio broadcasts emphasized need for greater NK agricultural production and more widespread use of Soviet agricultural methods. NK cabinet decision provided for estab of centralized stations where fertilizer will be distributed and farm implements rented during plowing season. NK state farms exhorted to employ advanced Soviet farming methods and serve as examples for NK agriculture. Broadcasts directed sharp criticism at NK agriculturalists employing outmoded methods.

Comment: Soviet type machine tractor stations and Sovkhoz are being established.

2. PR announced NK cabinet decision under which special priorities in rations and entertainment will be granted to families of members of NK armed forces.

Army:

1. Four parallel incidents reptd during period. All minor except:

A. 130,400 approx 1 platoon NK security forces attacked Ka at Changsu (1017-1696). Friendly losses: KIA 2, WIA 1. Enemy losses: KIA 3, 1 Soviet make rifle:

B. 130,425 apprx 2 NK rifle platoons attacked Ka near Sangchu Dong (1015.7-1696.2). Friendly losses: KIA 2, WIA 2, carbines 2, ammo 50 rds. Enemy losses: KIA 5, WIA 1, model 99 rifles 1.

2. Casualties reptd during period from border incidents: KA KIA 4, WIA 3, Enemy KIA 8, WIA 1.

3. 25 Army and police operations against guerillas reptd. All minor except:

55708

ROUTINE

Secret



INCOMING MESSAGE

ROUTINE

FROM: SEOUL NR: 171000 Z 17 FEB 50 CONT'D

A. 111,100 elements 16 Regt engaged unknown number of guerillas at Hill 402 (1227-1535). Friendly losses: KIA 4, Guerilla losses: KIA 1.

B. 11 Feb receiving rept that 500 guerillas appeared at Hill Kikum Dong (1214-1535) elements 16 Regt engaged guerillas Friendly losses: WIA 10. Guerilla losses: WIA 2.

Comment: Reptd strength of guerillas is exaggerated. Accepted strength for area is 200.

C. 141310 elements Natl Police attacked unknown number guerillas at Chonghwa San (191-1527). Friendly losses: Negative. Guerilla losses. KIA 11, Model 99 rifles 1, pistols 1.

4. Nowo 7 Guerilla attacks on villages and police boxes repts. All minor except:

A. 13 Feb unknown number of guerillas attacked Natl Police at Doki RI (1220-1567). Friendly losses: Negative. Guerilla losses: KIA 10, POW 4, M-1 rifles 1, Model 99 rifles 2, carbines 1.

Comment: Border incidents remain at low ebb with some increase guerilla activities over previous week. High guerilla losses of personnel and arms cont.

5. Casualties arising from incidents reptd during period. KA KIA 6, WIA 11, MIA 1, civ KIA 5, WIA 8, guerillas KIA 112, WIA 2, POW 42.

6. Arms captured from guerrillas in incidents reptd during period. M-1 rifles 20, carbines 19, Jap rifles 8, LMG 2, grenades 10.

7. Minister of defense privately indicated desire Maj Gen Shin Tae Yung, actg CofS be replaced in near future by Maj Gen Chae Byung Duk former Cof S and presently chief material mobilization program.

Comment: This in line with earlier prediction. However Press Rhee not entirely sold on Chae and two others in running: Maj Gen Kim Hong Il, Comdt, and Brig Gen Chungilikwan Deputy CofS. Kim will be opposed for apt due lack of confidence professional abilities of officers with Chinese background and belief he would attempt surround himself with former Chinese

55708

(over)
ROUTINE

Consult Crypto-Center before declassifying.

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 17 and 18, and 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, AR 380-5, dtd 15 November 1949.



921E

Secret
ROUTINE

FROM : SEOUL NR : 171000 Z 17 FEB 50 CONT'D

Army colleagues. Chung previously offered post by Rhee but declined feeling himself too young with plenty of time ahead of him and desire to remain disassociated with top level adm and politics confirming himself to operations as at present. He is ablest officer and so recognized by Pres and has accompanied Rhee on current visit to Japan. Gen Chae has been making much progress in organization procurement program and has confidence of Min Shin Sung Mo.

8. As result quiet investigation since Sep 49 folg penetration of NK espionage ring KA started 16 Feb picking up suspected active Communists and collaborators. Now have 50 Army personnel in custody as follows: 1 Lt Col, 9 Majors, 6 Capts, 15 Lts, 2 WO, 16 EM including 1 from G-2 Section and 1 civ interpreter from G-3 Section. Total number suspects Army, Air Force, Navy, Police and civ, 350. Pertinent data has been turned over to other depts and early action rounding up all suspects anticipated.

Comment: Considered ample evidence has been accumulated in these cases and numerous convictions should result. All suspects have been under observation for considerable length of time. Reptd 26 have already confessed. Should be serious blow to NK espionage particularly since approx 50% of Army suspects have esp'd to various hq.

Navy:

ROK Navy:

1. Strength: 584 Naval offs, 5200 EM. 65 Marine offs, 1155 EM. Total 6994.

Current NK Navy.

1. NK Naval officer Pyongyang reportedly stated peoples Navy will receive 2 ships of 800 and 1000 tons respectively from Soviets in May 50.

Comment: This tends to confirm previously submitted report that Soviets might furnish NK Navy with ships.

Following unconfirmed reports:

1. Soviet construction sub base accomodating 6 subs at Itutu Island (possible Etorufu at Lat 45 north 148 East).

2. Soviet Naval School at Vlad started course sub warfare in 47. Course includes tech trg in subs. Two Germans as instructors.

3. Report Soviet Naval plans call for ratio of 7 to 2 subs to other combatant ves.

3. Three "post-war" Soviet DD in Vlad early Jan.

DRUMRIGHT

55708

ROUTINE
Secret
-6-

TOO : 171000 Z
MCN : 57115

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



INCOMING MESSAGE

Secret
ROUTINE

FROM : SEOUL KOREA NR : 171000 Z 17 FEB 50 CONT'D

INFORMATION : COMMANDER IN CHIEF CHIEF OF STAFF, G-1, G-2, G-3,
G-4, AG, DIPLOMATIC, JSPOG, FEAF, COMNAVFE

55708

ROUTINE

TOO : 171000 Z
MCN : 57115

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classification carried hereon per paragraphs 17 a (1)
(2), and 41 c (2) (3), AR 380-5, dtd 15 November 1949

-7-

Paraphrase not required. Handle as correspondence of classification carried hereon
per paragraphs 51i and 60a, AR 380-5.

Handling and transmission of literal plain text of this message as correspondence of the same classification has been authorized by the War Department in accordance with the provisions of paragraphs 16-C, 18-E, 53-D (1) (2) (3), and 60-A (1) (2) (3) (4), AR 380-5, 6 March 1946

~~SECRET~~

GENERAL HEADQUARTERS
FAR EAST COMMAND

GB/T Int/LJF/bd
16 February 1950

FROM: CINCFE TOKYO JAPAN
TO : DA W/SH DC. ROUTINE
INFO: USMIL/T SEOUL KOREA ROUTINE
CG US/RP/C HONOLULU HAWAII . . . ROUTINE

For CSGID. Pass to US/F for info.

EX 54987

Subj is Joint Army-Air Weeka 7.

JAPAN:

170835

POLITICAL:

(a) Important Changes or Contemplated Changes in Govt: Conservative merger (CINCFE Weeka 2) accomplished, as 23 Lower House and five Upper House members affiliated with Coalition Democrats join Democratic Liberal camp. Coalition Democratic leader INUKAI Ken becomes independent in order to break down opposition to merger on part of Democratic Liberal Party elders. Committee appointed to study question of Democratic Liberal party name change. Trade Industry Minister INAGAKI Heitaro, one of few Coalition Democrats who did not join Govt party, decides to resign Cabinet post, marking first pers change in Cabinet since it was appointed fol Jan 49 gen elections.

Democratic Liberals seek to force resignation of NOZAKI Sanzo fr Diet on grounds that his "self-criticism" (CINCFE Weeka 6) indicates rejection of parliamentarism. Communists lash back, charge "oppression" and "violation of constitution".

Right and left wing Social Democratic leaders, apparently concerned over prospects for coming Upper House election, hold talks aimed at reconciling estranged factions. Local Social Democratic orgns indicate they do not go along with hq split in Tokyo.

ECONOMIC:

(a) Proposed or Actual Economic Changes: Curr dropped to 303 billion 9 Feb. Steady since with 304 billion circulation 13 Feb 50. Crop damage compensations approximately 5,387,000,000 yen as

DECLASSIFIED PER JCS LTR OF
29 AUG. 75



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CIN
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~~SECRET~~

INFORMATION COPY

~~SECRET~~

FR CINCFE TOKYO JAPAN TO DA WASH DC GB/T Int/LJF/bd 16 Feb 50

compared last yr 2,000,000,000 yen. Tax revenue end Jan 395,790,000,000 or 74.8 per cent of bud goal. Same date last yr figure was 62.4 per cent. Cotton yarn output for April-June tentatively planned at 120 million lbs.

REP/REPATRIATION HIGHLIGHTS:

Processing of 2,203 repatriates who arrived in Maizuru on "Takasago Maru" 8 Feb completed without incident, and repatriates now en route to their homes. Although no formal announcement from Soviet Mission has been made, spokesman told Japanese delegation on 11 Feb that repatriation would be continued.

NORTH KOREA:

MIL:

(c) Trp Movements, Concentrations, Opr: One Chinese Communist Force (CCF) div arrived Nanam (4142-12941) and one Sinuiju (4006-12424) Aug 49, according to recent rpt. Add CCF unit of 9,700 arrived Hamhung (3954-12732) early Dec 49. Second rpt states CCF arty regt, located Sinuiju in Jan 50, was tng with Soviet M-13 rocket launchers. About 200 CCF trps stationed Kumhwa (3818-12728) area 20 Dec 49.

Comment: First of foregoing rpts tends spt previous info on arrival two CCF divs in North Korea (FEC Int Summary 2593). However, it should be noted that mere use of organizational term "div" does not in itself prove existence such orgns. Rpt of 9,700 CCF at Hamhung considered doubtful. Acceptance divisional orgn for CCF in North Korea is withheld pending receipt sufficient supporting evidence such as str, equip, pers, and tables of orgn. Rpt on Soviet rocket launchers is second received here concerning use that weapon in North Korea.

Fragmentary rpts concerning dispositions various Peoples Army units were received during period of these rpts, most significant was one concerning movement 2d Div Hq fr Hamhung to Wonsan (3910-12726) in Nov 49. Although the rpts add considerably to existing info on Peoples Army dispositions, and particularly point up possible presence 2d Div Hq in Hamhung-Wonsan area, int still not firm enough to warrant acceptance that hq at Hamhung or Wonsan. (For details of these rpts see FEC Int Summary 2715).

PHILIPPINES:

POLITIC/L:

(c) Reactions to Important Events: Cabinet indorsed Quirino

~~SECRET~~



~~SECRET~~

FR CINCFE TOKYO JAPAN TO DA WASH DC GB/T Int/LJF/bd 16 Feb 50

1950-51 bud of \$172,054,675 (US). National Defense funds aprx \$3 million (US) under 1949-50 figure. Dept Education fund reduced \$20 million (US). Possibility 29,000 teachers and 1,500,000 pupils may be dropped. Senate, House members charge inconsistency, extravagance, failure reflect public need, and inaccurate presentation govt financial cond. Possible House of Representatives will shelve bud pending submission modified version or legislation for increasing national income (CINCFE Weeka 4).

ECONOMIC:

(a) Proposed or actual Economic Changes or Reforms: Philippine Abaca Development Co (National Abaca, CINCFE Weeka 3) filed corp papers with capitalization set at \$1,500,000 (US) one-third of which is reported subscribed and paid.

Central (Govt) Bank Director Miguel Cauderno reportedly told House import control committee that peso will be devaluated if present import control law not successful. Cauderno said remittances to foreign countries, two days before exchange controls effective, were \$15,000,000 (US). Cauderno sounded optimistic note with statement import controls increasing demand locally produced goods with consequent increase local employment.

MISC:

SUBVERSIVE:

Chinese and other Communist activity increasing as evidenced by fol rpts: (1) Chinese Communists using bribery to gain intervention and nullification of Chinese Communist investigations. Rpt involves high mil ofls, (2) many Chinese reported gaining entry southern island ports through procurement forged alien certificates of registration fr corrupt PI ofls. National Bureau of Investigation rpts of illegal entry allegedly were given to Senate President Mariano Cuenco and House Speaker Eugenio Perez, who deny receiving same presumably because of personal implication, (3) leftist Congress of Labor Orgns reported forming "labor battalions" to aid Huks, (4) Communist labor elements sending "contact men" to southern islands to orgn labor along Communist lines, and (5) Chinese Communist courier apprehended in Manila allegedly stated mission was to obtain maps, locations mil and air instls, and details regarding principal reservoirs, pumping stations, and power plants. Summation of rpts indicates steadily rising number Communists in Philippines.

RYCOM:

Page 3 of 4

~~SECRET~~



~~SECRET~~

FR CINCFE TOKYO JAPAN TO DIA WASH DC GB/T Int/LJF/bd 16 Feb 50

POLITICAL:

(c) Reactions to Important Events: Leftist criticism Okinawa Civil Adm and police system continues (CINCFE Weeka 5). At recent leftist political meeting speakers stated Okinawa people "slaves of a despotic Governor and corrupt administrators". Communist leaders attended opening session Naha election hearing (CINCFE Weeka 5) 10 Feb; hearing continued to 25 Feb. Prominent leftist Nakasone Genwa held meeting and appointed committee to attend Ishikawa election hearing scheduled for 13 Feb.

OFFICIAL:

APPROVED BY:

K. B. BUSH
Brigadier General, AGD
Adjutant General

WM R. GROVE JR
Colonel, GSC
Executive Officer

- Copies to:
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 - G-3
 - JSPOG
 - RMGS
 - FE/F (courier)
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 - G-2 T/Int return
 - G-2 CI Div return

MEMO FOR RECORD

Joint Army-Air Weeka No. 7 rad, covering political, economic, mil and air situation in Japan, Korea, Philippines and Japanese Mandated Island, forwarded weekly to Dir of Int, WDGS in accordance with provisions of Chapter II, pars 23-29, MID, BID, 1 Sep 48.

LJF
26-6021



~~SECRET~~

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

INCOMING MESSAGE

~~Confidential~~
ROUTINE

JA/lfm

16 Feb 50

FROM : STATE DEPT WASH DC
TO : SCAP (USPOLAD) TOKYO JAPAN, DA WASH DC
NR : 152250 Z (BOOK MSG) (SENT DEPT 19, FEB 15, 5 PM FROM
TAIPEI) (DEPT PASS CSGID; INFO CINCPAC, AFOIN, CNO,
DNI, FROM ASTARMA TAIPEI SIGNED POSTON)

Source C-2. Your Soviet air technicians at Tachag Fld
Shanghai repairing Japanese aircraft, on completion craft
to Loyang.

Following airfields reported ready for use: Yihsu at
Fuchow, Nanking, Shanghai, Yangchow, Hsuechow, Yushan.

Following under construction: Kinhwa and Chuchow.
Communists have transferred aircraft parts to Shanghai and
Hangchow and announced Chousan Invasion will have air sup-
port. AA installations as follows:

Fuchow 3 guns, 8 MGS,
Canton 2 regiments with 50 guns. Primary emplacements
White Cloud and Kuanyin Mts, Secondary Tungshan, Honan,
Hsichun, Shanliuli, all for protection White Cloud Airfield;
Shanghai 5 radar sets purchased from British;
Shanghai, Nanking, Ningpo AA increased for protection
airfields and communications centers;
Amoy, Hohsi, Huanghsi--each 1 AA gun battery;
Wutung, Hutou, Haochi, Paishih Forts ea 2 AA guns.

Following stations reported as operating Communist
commercial air net: Peiping Net Control, Sian, Lanshow and

55049

(over)
ROUTINE

DECLASSIFIED PER JCS LIR OF
20 AUG. 75

~~Confidential~~
Consult Crypto-Center before declassifying.
Paraphrase not required. Handle as correspondence of
classification carried hereon per paragraphs 17 a (1)
(2), and 41 c (2) (3), AR 380-5, 15 November 1949.

Paraphrase not required. Handle as correspondence of classification carried hereon
per paragraphs 51i and 60a, AR 380-5.



3114

~~Confidential~~
ROUTINE

FROM : STATE DEPT WASH DC NR : 152250 Z 16 FEB 50 CONT'D

Chungking.

ACHESON



ACTION : DIPLOMATIC

INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, G-2, G-3,
JSPOG

55049

ROUTINE
~~Confidential~~
2-

TOO : 152250 Z
MCN : 57056



INCOMING MESSAGE

WG/tjc

~~Restricted~~
ROUTINE

14 Feb 50



3
SIA

FROM : CG MARBO GUAM
TO : CINCFE (G-2) TOKYO JAPAN
NR : S 9742 MBGBI (WEEKA NBR 69)

DECLASSIFIED PER DA CIRC. #127
23 DEC 53

Political. None.
Economic. New Guam Commercial Port to be in operation by June this year. This port will handle all commercial shipping for the island. Port to be manned by Filipino labor to be furnished by Luzon Stevedoring Co.

Military. None.

Subversive. None.

Miscellaneous. Issuance of passes to interested citizens of Barrigada permitting access to certain areas fenced off by Brown Pacific Maxon Contractors has reduced grievances. People of Mangilao, Barrigada were unable to gather cattles and harvest coconuts by BPM fencing. Issue settled in meeting of Navy and BPM officials with special Guam Congress Committee. 17 Filipinos to be deported on first aval trans as a result of Island Court action. These former employees of Luzon Stevedoring Co were discovered with weapons in their possession. Others expected to be deported soon for similar reasons.

ACTION : G-2

NO SIG

INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, G-1, G-3, G-4, AG, DIPLOMATIC, JSPOG

54182

ROUTINE

TOO : 132230 Z
MCN : 56976

~~Restricted~~

Consult Crypto-Center before declassifying.
Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 17 a (1) (2), and 41 c (2) (3), AR 380-5, 15 Nov 49.
Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 51i and 60a, AR 380-5.

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

INCOMING MESSAGE

FIS/cq

~~SECRET~~
PRIORITY

13 Feb 50

FROM : CG RYCOM OKINAWA
TO : CINCFE (G-2) TOKYO JAPAN
NR : Y 20109

WEEKA in 3 parts.

Part 1. Politics: Criticism of Okinawa Civ Adm and police system conts.

Speakers at Joint Political Meetings have stated that people are slaves of a despotic governor and corrupt administrators. Communist leaders of "racial front" attended opening session of Naha Election Hearing in Shuri Court on 10 Feb. Hearing was contd until 25 Feb. When court closed, political leaders assembled at home of Nakasone Genwa where Madanbashi Keiyo and Kuba Chopun were selected to attend Ishikawa Election Hearing in Koxa Court on 13 Feb.

Part 2. Economic: No report.

Part 3. Subversive: Yonaguni police have rptd that three Formosans who attempted to establish residence on Yonaguni have been evicted. The three unidentified Formosans told police they left Formosa because of fear of Red invasion. Crew members of Formosan smuggling boats have advised Yonaguni police that 500 American-made tanks concentrated at Tainan on southwest coast of Formosa. Shortage of drivers was noted. Five thousand-ton British Naval craft Joukeigo, on loan to Nationalists, rptd to have defected with three other vessels to Chinese Communists and now in Dairen for repairs.

NO SIG

54017

(over)
PRIORITY

DECLASSIFIED PER JCS LTR OF
20 AUG. 75



Consult Crypto-Center before declassifying.

Paraphrase not required. Handle as correspondence of classification carried hereon per Paragraphs 17-a (1) (2), and 41 c (2) (3), AR 380-5, 15 Nov 49.

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 51i and 60a, AR 380-5.

2113

Secret
PRIORITY

FROM : CG RYCOM OKINAWA NR : Y 20109 13 FEB 50 CONT'D



ACTION : G-2

INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, G-1, G-3, G-4,
AG, DIPLOMATIC, JSPOG

ADDED DIST : RYUKYUS MG (14 Feb 50)

54017

PRIORITY
Secret

TOO : 130655 Z
MCN : 56961

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

INCOMING MESSAGE



~~Secret~~
PRIORITY

WG/tjc

Handwritten initials/signature

13 Feb 50

FROM : DA WASH DC

TO : CINCPAC TOKYO JAPAN

NR : 130005 Z (PASSES MSG FROM JAKARTA VIA STATE DEPT TO CINCPAC, USARPAC AND ARMY FOR INFO CHIEF OF STAFF) (SENT DEPT 247 FEB 12 NOON WEEK 6 FROM SN DEPT POUCH EMB HAGUE)

"Political:

"Certain uneasiness apparent over hasty and frequently pressure tactics employed get local bodies vote *Negaras* out of existence. *Repub* leaders making public demands re-establishment *Linggadjati* *Repub* territory. Interior Min states has obtained Govt decision internal territorial changes must be carried out in orderly fashion in accord provision constitution. Indicated *RUSI* cld not oppose if *Repub* enlarged result genuine expression popular will. Socialist Congress held last week *Jogja* where *Sjahrir* reported gaining influence. According police chief, *Westerling* has incited *Darulnislam* engagement heavy fighting South *Bandung*. *Knil* special battalions still not completely removed *Bandung* but *RUSI* counting on visit *Neth War* Ministry Sec to get results. *Westerling* reported discouraged and considering ways leaving country. *RUSI* Parliament holds first meeting Feb 15.

"Economic:

"Strike of Indonesian and Chi personnel 3 leading Dutch banks *Djakarta* for higher wages began 6th ended 9th Banks agreeing higher supplemental wage and consideration increase regular wages. During strike Mil Governor *Djakarta* announced disapproval (over)

53844

~~Secret~~
PRIORITY

DECLASSIFIED PER JCS LTR OF
20 AUG. 75

Consult Crypto-Center before declassifying.
Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 17 a (1) (2), and 41 c (2) (3), AR 380-5, 15 Nov 49.

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 51i and 60a, AR 380-5.



1118

~~Secret~~

PRIORITY

FROM : DA WASH DC NR : 130005 Z 13 FEB 50 CONT'D

strike until Labor Dept had opportunity arbitrate.

"Other minor strikes Macassar Harbor, Medan Filling Station workers and Engineering personnel Harrisons and Corsfield subsidiary Medan reported middle and east Java levies being assessed by TNI as well as guerilla troops on estates, houses, hotels, for support of troops and protection of property. In Besuki residence levies reported 250,000 Guilders of which 40 percent to be borne by rice mills, 30 percent upland estates and 30 percent by sugar and tobacco estates. At Banjuwangi NI (as received) commander imposed excise 5 Guilder cents per 100 Kilos rubber and 50 cents per 100 on coffee, as well as levies on workers. Govt officers feel such measures inevitable until regular govt machinery begins working properly. Most estate owners do not mind moderate levies as long as Army commanders maintain order.

"Unofficial sources believe Indonesia exports Jan, Feb will be below Dec because withholding due currency uncertainties and increase in smuggling rubber and pepper from Sumatra. Present customs patrols along Sumatra coast largely ineffectve.

Finance Mission sent Bangkok for purpose studying operation Siamese Foreign Exchange Operations. Rumors persist devaluation Indonesian currency. Finance Min stated privately that former Repub currency could be withdrawn and converted at cost to USI only 50,000,000 Guilders.

"Military:

"NA states he has been advised by office Neth contacts Neth planning beginning Feb 14 turn over body military equipment to RUSI, Neth to clear out militarily and abrogate despatch Neth Mil Mission. Will check further. Signed Cochran."

NO SIG

ACTION : G-2

INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, G-1, G-3, G-4, AG, DIPLOMATIC, JSPOG



53844

PRIORITY

~~Secret~~

TOO : 130005 Z
MCN : 56995

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

INCOMING MESSAGE ^{TLD/aks}

Restricted
ROUTINE

12 Feb 50

FROM : DA WASHINGTON DC
TO : CINCPAC TOKYO JAPAN



DECLASSIFIED PER DA CIRC. #127
23-DEC. 53

NR : 101528 Z (RELAYS MSG DTG 100130 Z FOR CSGID AND FECOM
NUMBER 8 JOINT WEEKA NUMBER 6 FROM S A WELLINGTON
SIGNED SCOTTEN)

Political. Although editors see Truman decision on hydrogen bomb justified self defense they fear heightened world tension as result and agree international control more urgent than ever.

New Zealand Herald and Evening Post both commend Lester Pearsons appeal for early Jap peace settlement if necessary without Russia and Red China.

Split widens in Trade Union movement as several trades councils charge federation executive exceeded authority in expelling Waterside workers. Fellow Travelling President Waterside Union defends action affiliating Maritime Section WFTU on grounds majority worlds Maritime workers belong. New Zealand Minister Social Security opens Conference ILO Social Security experts in cordial atmosphere.

Economic. Prime minister review governments financial situation stressing progressive monetary inflation and presenting post war budget policy as deficit financing accepted by majority press while forecast 28 million pounds current deficit branded nonsense by previous finance minister. Effort cut public works expenditure and government administration cost believed likely follow.

53689 (over)
ROUTINE

Restricted
Consult Crypto-Center before declassifying.
Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 17 a (1) (2), and 41 c (2)(3), AR 380-5, dtd 15 November 1949.

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 51i and 60a, AR 380-5.



2018

~~Restricted~~
ROUTINE

FROM : DA WASH DC NR : 101528 Z 12 Feb 50 CONT'D

Seasonal rise bank sterling exchange reserves by 1,823,677 to 42,302,677 pounds period 11 Jan, 11 Feb, note issued dropped by 1,932,105 to 54,730,895 pounds, reserve ratio 30.26 %. Prices paid second Wellington wool sale 5% below Wanganui sale contingent easing values from peak at Auckland 20 Jan. Strong continental demand US bids for crossbreds and sparse bradford's anticipation moved 21,094 bales offered.

Military. Prime Minister and Defense Minister continuing inspection military camps. Announce no definite plans yet made on camps to be used under compulsory scheme or number trainees each camp. First reveal 2,300 youths who reached 16 since 1 Nov registered for training. Estimate 600 failed register. Warned by government they and employers committing offense.

NO SIG

ACTION : G-2

INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, G-1, G-3, G-4, AG, DIPLOMATIC, JSPOG

NOTE : Duty Officer Comm Center states this msg delayed due to service.

53689

ROUTINE

TOO : 101528 Z
MCN : 56910

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

~~CORRECTED COPY~~
INCOMING MESSAGE

[Signature]
ROUTINE

SA/jbg

11 Feb 50

FROM : USMILAT SEOUL KOREA
TO : DA (FOR INTEL DIV USA) WASH DC
INFO : CINCPAC TOKYO JAPAN (PASS TO COMNAVFE TOKYO JAPAN, CG
FEAF TOKYO JAPAN FOR INFO), CINCPACFLT OAHU TH, CG 7TH
TASK FLT (ARMA) PEARL HARBOR
NR : 100900 Z (JOINT WEEKA NO 6 FROM SAN PEDRO 03 TO 10 FEB)

South Korea political.
1. International.

UNCOK held daily meetings from 1 Feb. Discussed in-
terpretation resolution, designated 2 committees:

- (1). whole, considering threat of peace and military
observers.
- (2). sub-committee. Singh, India, Chairman, considering
methods reduce div and secure unification. Committee whole
scheduling 2 interior trips examine mil situation preliminary
decision invite mil observers.

Comment:

All members UNCOK except El Salvador represented but
Africa, Philippines, leaving 15. Chairman Gulek (Turkey) acting
maintain supremacy commission over principal secretary. Current
refusal secretariat supply delegates secretarial help provides
test case. Gulek demanded and obtained best office superseding
principal secretary.

2. Domestic.

(1). President announced on 6 Feb introduction NA
constitutional amendments proposing responsible cabinet system,
inaugurating required 30 day discussion period. No NA action
before 12 Mar. President in accompanying statement proposing
constitutional changes, announced intention retiring after
53523

(over)
ROUTINE

Consult Crypto-Center before declassifying.
Paraphrase not required. Handle as correspondence of
classification carried hereon per paragraphs 17 a (1)
Paraphrase not required. Handle as correspondence of classification carried hereon
per paragraphs 51i and 60a, AR 380-5.



1018

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Leest
ROUTINE

FROM : USMILAT SEOUL KOREA NR : 100900 Z 11 FEB 50 CONT'D

expiration present term, wish spend time before then "Solidifying National Foundation."

Comment:

Pro-administration opponents of amendments concede proposals have possibility passing. Since strong feeling among all groups NA favoring change, adoption possible, but still too early judge, many hostile Rhee but fearful enervating govt now.

(2). Paek-Sung Qok suddenly adpt Home Minister 7 Feb, Vice Kim Hye Suk. Paek aged 54, German univ grad, former Buddhist professor and Monk.

Comment: Home Ministry change long rumored. President last month told Emb off had asked resignations Home, Commerce, Agriculture Ministers, citing economic crisis; this 2d of 3 accepted. Paik's name never mentioned in gossip about possible replacement; apparently became intimate with Rhee spring 1948; appears without previous administrative experience. Effect his appointment on Home Ministry unassessable this time but rumored presidential move secure personal supporter head police before May elections.

(3). Kang Ki Tuk, ROK-designated Gov South Hang Yong Province, referred to Seoul district procurator on charges fraud, smuggling in complicity with Chinese trade.

Comment:

Procurators office actively prosecuted cases against Chinese often based untenable interpretation provisions USAMGIK Ord 19 concerning hoarding, originally intended cover only consumer goods. Procurator General stated any trader failing sell goods first bidder or within few days after importation even though industrial raw materials, was criminal, liable prosecution. Such interpretation could be American businessmen.

(4). Assembly 2 Feb took final action proposed amendments Land Reform Law. Retained prohibition resell lands distributed under Reform Program. Amendments, most important of which eliminated subsidy feature original bill (where land sold to govt for 150% 1 year production but tenant bought from govt at 125%) now with President awaiting promulgation.

53523

Leest
ROUTINE
-2-



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



~~CONFIDENTIAL COPY~~
INCOMING MESSAGE

ROUTINE

FROM : USMILAT SEOUL KOREA NR : 100900 Z 11 FEB 50 CONT'D

Comment:

Implementation demands both legislative appropriation of funds and aggressive administration executive branch; successful implementation of reform-affecting 29% of land under cultivation ROK would remove Communism's chief appeal landless Korean peasantry.

(5). At 4 Feb hearing trial assemblymen prosecution rested. Following defense presentation, case goes to judgment.

Comment:

Prosecution evidence most cases does not appear convincing.

South Korea economic.

(1). Currency circulation contd decrease, unofficially rptd 70 billion 7 Feb against high 76 billion 5 Jan.

Comment:

Reduction believed seasonal caused by repayment agricultural loans with consequent contraction FFA Dept Korea Bank. Other factors: Lower rate overdraft drawing on Bank Korea now at approx 1.4 billion monthly against previous monthly rate 5-6 billion; fewer bank loans while loan repayments appear higher.

2. Economic stabilization committee obtained President's signature food plan directing, 1st: No importation compensatory grains for contemplated export 100,000 tons rice to Japan, secondly: Govt stocks be released at rate not exceeding 50% of normal daily municipal needs. SCAP notified acceptance offer 100,000 mtons rice at \$140. Details not completed.

Comment:

President previously maintained compensatory grains be imported for all rice exports. Presidential directive now assures foreign exchange 100,000 ton rice exports avail for Korean non-food import program. Previous release rate of which 80% was for Seoul. After final agreement SCAP consummated question further rice exports for compensatory grains will be raised.

North Korea Political.

1. No comment Pyongyang rad current. Sino-Soviet Moscow

(over)
ROUTINE

53523

Consult Cryptic Center before declassifying.

Paraphrase not required. Handle as correspondence of person per paragraph 51f and 60a, AR 380-5.

(2). and 41 c (2) (3). AR 380-5. 15 Nov 49.

001E

CORRECTED COPY

~~Secret~~
ROUTINE

FROM : US MILITARY SEoul KOREA NR : 100900 Z 11 FEB 50 CONT'D

discussions. North Korean regime extended Diplomatic recognition Communist Viet Nam 31 Jan.

Comment:

North Korean recognition followed USSR's 1 day undoubtedly under instructions. Announced intention exchange Diplomatic envoys departure from usual North Korean practice regarding fellow Stellites. Current Pyongyang rad Propaganda Campaign incitement Guerrilla activity ROK continues heavy.

North Korea economic.

1. North Korean cabinet announced decision 27 extremely detailed regulation all classes industrial, clerical labor, labor discipline, registration, transfer, termination, wages, hours, safety. Severe penalties enacted including criminal prosecution.

Comment:

Decision lifted from Soviet labor codes.

Army.

1. Four parallel incidents rptd during period. All minor except:

(a) 061640 elements 7th Regt engaged approx 40 North Koreans at Jolmok N1 (1042-1692). Friendly losses: Wia 2 Enemy losses: Kia 4, Wia 1, model 99 rifles 1.

(b) 061620 elements 7th Regt engaged approx 60 North Koreans at Yongto Dong (1042-1695). Friendly losses Kia 1, Wia 2. Enemy losses: Kia 1, model 99 rifles 1, ammo 40 rds.

2. Casualties rptd during period from border incidents: Ka Kia 1, Wia 4, enemy Kia 6, Wia 1.

3. 18 Army and police operations against Guerrillas rptd. All minor except:

(a) Delayed rpt. 011320 elements 16th Regt engaged approx 75 armed Guerrillas at Hill 451 (1223-1521). Friendly losses: Kia 12, Wia 13. Guerrilla losses: Kia 31, POW 4.

(b) 030500 elements 15th Regt attacked Guerrilla hideout at Hill 932 (1057-1347). Friendly losses: Negative. Guerrilla losses: Kia 2, POW 2, M-1 rifles ammo 195 rounds, Grenades 6, lmg ammo 250 rds.

(c) 041500 elements 20th Regt engaged approx 27 Guerrillas at Hwahak San (990-1316). Friendly losses: Negative. Guerrilla losses: Kia 13, POW 1, M-1 rifles 1, carbines 3.

53523

ROUTINE

~~Secret~~
-4-





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INCOMING MESSAGE
ROUTINE

FROM : USMILAT SEOUL KOREA NR : 100900 Z 11 FEB 50 CONT'D

model 99 rifles 1.

4. 15 Guerrilla attacks on villages and police boxes
rptd. All minor except:

(a) 041200 40 armed and 10 unarmed Guerrillas appeared
28 kilometers North Chikyong Ni (1233-1487) setting fire 50
houses killing 13 civ and injuring 15.

(b) 070100 approx 150 armd Guerrillas set fire to
42 houses, killed 11 civ and stole 10 cows at Wol Wae Ri (1201-
1509).

(c) 060330 approx 70 Guerrillas set fire to 10
houses, killed 6 civ, and stole 2 cows at Maeil Ni (1225-1502).

Comment:

During period Guerrilla tactics lead towards Arson.
Possible create diversions so police compelled fight fires as
well as Guerrillas. However the marked reduction in parallel and
Guerrilla incidents noted in previous week as continues. Decrease in
Guerrilla incidents possibly due to need for regrouping following
severe losses. Possible also Guerrillas awaiting reinforcements
prior to new offensive with break in weather.

5. Casualties arising from incidents rptd during period.
Ka Kia 12, Wia 13, civ Kia 30, Wia 15, Guerrillas Kia 58, POW
29,

6. Arms captured from Guerrillas in incidents rptd
during period: M-1 rifles 25, carbines 4, LMG 1, BAR 1, model
99 rifles 4, grenades 10, pistols 1.

NK Armed Forces deserters:

(a) 2 EM, 1 member Peoples Guerrilla Troops.

8. Parade schedules 8 Feb in Pyongyang celebrating 2d
anniversary in Min Gun rptd not held. Reasons for cancellation
not given.

Navy.

Comment ROK Navy.

Strength: 524 Naval officers, 5251 enlisted; 66 Marine
officers, 1159 Marine enlisted.

(over)

53523

ROUTINE

-5-

Consult Crypto Center before declassifying.
Paraphrase not required. Handle as correspondence of
classification carried hereon per paragraphs 17 a (1)
(2), and 41 c (2), (3), AR 380-5, 15 Nov 40.

Paraphrase not required. Handle as correspondence of classification carried hereon
per paragraphs 51i and 60a, AR 380-5.



6608

CORRECTED COPY

~~Secret~~
ROUTINE

FROM : USMILAT SEOUL KOREA NR : 100900 Z 11 FEB 50 CONT'D

2. 1st Class at Naval Academy (57 midshinmen) will graduate 25 Feb as scheduled. This group will be returned to Academy shortly after graduation for special 2 month post graduate course, as will all classes of less than 4 years duration.

Comment:

Current 1st Class has completed approx 2½ years of steadily improving training and believed will prove reasonably capable junior officers. ROK Navy efforts to increase Academy course to 4 years slowly beginning to show results.

3. National assembly passed for Presidents signature and promulgation on 26 and 27 Jan, 3 bills bearing directly on operation ROK Navy and Merchant Marine:

(a) Bill on Naval Bases, which sets forth regulations relative to base operation, including prohibitions and restrictions.

(b) Bill on restricted waters, which defines limits and necessity of compliance.

(c) Bill on amin of ships, regulating water traffic and Marine transport.

Comment:

Bills provide regulations heretofore taken for granted and generally unobserved. Bills practically certain becoming law, since pers apparently desires controls and has given no indication will veto during period of 15 days from date of receiving legislation.

Following unconfirmed rpts.

1. Medium DD and 3 subs rpts Unggi harbor 19 Jan. Soviet Naval pers in Unggi rptd billeted in former Jap Naval buildings and all other satisfactory bldgs. Naval cmdr reported to be rear admiral. Same source rpts restrictions on civilian travel between Unggi and Najin.

2. Russki Ostrov, immediately southeast Vladivostok, reportedly protected by 50 obsolete or obsolescent coastal guns and is base for 6000 Naval trainees.

3. Soviet Far East Fleet reported include total of 12 tankers.

53523

ROUTINE

~~Secret~~
-6-





6608

CORRECTED COPY

~~Secret~~
ROUTINE

FROM : USMILAT SEOUL KOREA NR : 100900 Z 11 FEB 50 CONT'D

2. 1st Class at Naval Academy (57 midshipmen) will graduate 25 Feb as scheduled. This group will be returned to Academy shortly after graduation for special 2 month post graduate course, as will all classes of less than 4 years duration.

Comment:

Current 1st Class has completed approx 2½ years of steadily improving training and believed will prove reasonably capable junior officers. ROK Navy efforts to increase Academy course to 4 years slowly beginning to show results.

3. National assembly passed for Presidents signature and promulgation on 26 and 27 Jan, 3 bills bearing directly on operation ROK Navy and Merchant Marine:

(a) Bill on Naval Bases, which sets forth regulations relative to base operation, including prohibitions and restrictions.

(b) Bill on restricted waters, which defines limits and necessity of compliance.

(c) Bill on amin of ships, regulating water traffic and Marine transport.

Comment:

Bills provide regulations heretofore taken for granted and generally unobserved. Bills practically certain becoming law, since pers apparently desires controls and has given no indication will veto during period of 15 days from date of receiving legislation.

Following unconfirmed rpts.

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53523

ROUTINE

~~Secret~~
-6-



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



~~COLLECTED COPY~~
sent
INCOMING MESSAGE

ROUTINE

FROM : USMILAT SEOUL KOREA NR : 100900 Z 11 FEB 50 CONT'D

Comment:

Believe 12 tankers report includes both commercial and Naval vessels.

4. 12 new subs will reportedly be launched at Vladivostok by end of March.

Air.

1. Representative CAT arrived Seoul 1 Feb to obtain permission register 1 CAT aircraft under Korean Flag for charter flt carrying proposed Korean trade mission to Southeast Asia. Request rejected by Transportation Minister.

Comment:

CAT has authority use American Flag on chartered flt however CAT prefers Korean Flag at this time due CAT's overall air plans for Korea.

2. CAT proposed lease KNA 5 C-46 for registry under Korean Flag. KNA then make management operating contract giving CAT management control over KNA. KNA then lease Korean registers planes to CAT. 2 planes to be used for interior Korean operations 3 for international operations. If proposal rejected CAT is willing sell KNA 2 or 3 planes outright. Source states C-47 KNA planning purchase for Air Carrier Corp (Joint WEFKA 3) actually belong CAT and are chartered to Air Carrier Corp through air carrier service Philippines Air Lines. Their worth to CAT about \$20,000 each. KNA contracted price Air Carrier Corps \$213,000 for 2 C-47 plus spare parts. CAT stated they could afford operate at loss for several months having on deposit 2.5 million in SFran 5 million in Tokyo. ROK not favorably impressed thus far.

Comment: Apparent CAT's primary purpose to obtain use Korean Flag so to expand their international service possibly including import export business. To gain this and CAT would provide operational services within Korea at loss. Feasible assume CAT could collect sufficient won revenue from domestic operations to cover cost operation. Gen Chennault due arrive Korea 16 Feb for further discussions. According Air Carrier Corp, Mr Peterson their Chief Technician due arrive Korea 5 Mar assist assembly 3 of 10 T-6

(over)

ROUTINE
sent

53523

-7-

Consult Crypto Center before declassifying.
Paraphrase not required. Handle as correspondence of classification carried hereon
per paragraphs 51i and 60a, AR 380-5. hereon per paragraphs 17 a (1)

(2) and 41 c (2) (3); AR 380-5, 15 Nov 49.



860E

~~Secret~~
ROUTINE

FROM : USMILAT SEOUL KOREA NR : 100900 Z 11 FEB 50 CONT'D

purchased by KAF. 3 T-6 scheduled arrive same date. Mr Person retained by ROK for 1 month. 140 million on donated Korean AF through public subscription for purchase air craft. KAF intends purchase 1 C-47 from Air Carrier Corp and present Pres Rhee providing funds are allocated. Air carrier corps qtd ROK prices of \$4,520 for 50 cal machine guns to be mounted on 2-6 and \$37,990, 500,000 rds ammo.

DRUMRIGHT

INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, G-1, G-2, G-3, G-4, AG, DIPLOMATIC, JS JCG, MEAF, COMNAVFE

NOTE : Corrected copy received AG-OR 141450 I.

53523

ROUTINE
~~SECRET~~
-8-

TOO : 100900 Z
MCN : 56903

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

INCOMING MESSAGE *3 Mrs*

~~Secret~~
PRIORITY

11 Feb 50

FROM : CG 13TH AF CAFB LUZON PI
TO : CINCPAC (G-2) TOKYO JAPAN
INFO : CG FEAF TOKYO JAPAN, CG 5TH AF (DEPUTY FOR INTELLIGENCE)
NAGOYA JAPAN
NR : C 4707 D/I



DECLASSIFIED PER JCS LTR OF
20 AUG. 75

WEEKA as follows:

Political:

A. Dept Interior plans ask Congress to outlaw Communism in Philippines. Rumored requesting "National Secret Police" as operating agency this field. Eval D-2.

This bill key step Dept Interior radification program. Eval D-3.

Cabinet indorses President Elpidio Quirino's 50-51 Budget recommendation. Budget as submitted to Congress carries total appropriation 344,109,350; 248,042,450 pesos represents ordinary expenses, remainder extraordinary expenses. Eval D-2.

(Comment: "Extraordinary expenses" defined as capital investments to be amortized over period of time).

National defense slashed from 57,625,915 pesos FY 49 50 to 51. 573,280, 50-51. Dept Education may be forced discharge 29,000 school teachers and drop 1,500,000 pupils result 40,000,000 appropriation slash. Govt source stated President would submit Deficiency Bill to cover govt deficiencies especially Dept Education. Expected total will amount to approximately 392,000,000 pesos. Quirino states budget to be balanced by;

(1) New tax measures increasing income 98 million pesos,
(2) 45 million pesos loan from Central Bank. No provisions for increase Army PC strength. (Ref WEEKA 3 Feb). Eval C-2.

53517

(over)
PRIORITY
~~Secret~~

Consult Crypto Center before declassifying.

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 17 a (1)

(2) 41 c (2) (3) AR 380-5, 15 Nov 49

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 51i and 60a, AR 380-5.



2608

~~Secret~~
PRIORITY

FROM : CG 13TH AF -- NR : C 4707 D/I -- 11 FEB 50 -- CONT'D --

Budget Commissioner PIO Joven stated govt could effect balanced budget. Finance Under Secretary Crispin Llanado estimated govt income would exceed expenditures 46 million. Eval D-2.

Figures assailed by Congressmen who stated Central Bank loan above would wipe out surplus, increased income questionable and present govt deficit total 315, million pesos. Claimed 96 million pesos income drop from import, exchange controls not considered. Budget criticized by both parties on grounds inconsistency, failure reflect public needs, unfaithful presentation govt finances, and extravagance. Eval D-2.

House Representatives expected to temporarily shelve budget until modified version submitted or legislation passed to increase income. Eval D-3.

House Representatives approved House rules 8 Feb 50. Leyte Liberal Representative Domingo Veloso chosen speaker pro-tempore by majority party Caucus. Election afternoon 10 Feb expected to be mere formality. Eval D-2. (Ref WEEKKA 3 Feb).

Senate reportedly preparing counter-check possible misuse Quirino power reorganize govt. Measure as passed carried enumeration of policies to guide President in reorganization, provision requiring him report Congress immediately any action taken, and statement such action "shall be valid until Congress shall provide otherwise." Majority members reported ready to veto changes considered contrary policy. Eval D-2.

High official sources reportedly stated Department's Interior, National Defense, Finance, Commerce and Industry, and Foreign Affairs to bear brunt governmental reorganizations although all Depts to be changed somewhat. Eval D-3.

Senators attacking Dept Interior as "useless appendate." State supervision provincial and municipal govts should be delegated to Div in Malacanan. Eval D-2.

Chairman Senate Committee Foreign Affairs Senator Lorenzo Sumulong stated Phil neutrality might be advisable if US backing against Communist attack not assured. Eval D-3.

Solicitor General Feliz A Bautista seeking definite govt policy on alien land holders. Recommended confiscating and/or revoking sales real estate to aliens. Does not affect Americans under Parity Right Agreement. Eval D-2.

Cabinet requesting Foreign Affairs investigate case of 1700 Moro Pilgrims stranded Saudi Arabia folg Mecca Pilgrimage. Pilgrims held by Arabian Govt pending payment "several hundred thousand pesos Pilgrimage fees." Misunderstanding arose when

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PRIORITY
~~Secret~~
-2-



INCOMING MESSAGE

PRIORITY

FROM : CG 13TH AF MR : C 4707 D/I 11 FEB 50 CONT'D

Pilgrims boarded ship under impression all fees were paid.
Eval D-2.

Suit filed by US Maritime Commission to hold in Manila Chinese Ship SS Union Trader (formerly USAT Hickory Burns) thrown out Philippine court on lack of jurisdiction. Vessel to be allowed to leave for undisclosed port Nationalist-held Chinese Territory. Vessel acquired by Republic of China on US Mortgage-Purchase Agreement in 1947. Maritime Commission filed suit court of 1st instance pending suit against Chinese Govt for recovery of vessel. Eval D-3.

Conference US Asst Secretary State W W Butterworth, Ambassador Myron Cowen and Acting Foreign Secretary Felino Neri reportedly stated Philippines to be anchor in US over-all Asian strategy. Rumored agricultural and industrial aids under Point Four will be worked through southeast Asia Union. Eval D-3.

Butterworth, Cowen, departed for Bangkok Conference 10 Feb.
Eval D-2.

Publisher Great China Press in Manila Koa Chun-TE headed Philippine Chinese delegation in pledging support Manila Chinese colony to Chinese Nationalist Soldiers Kingmeit Island, Formosa Strait. Eval D-3.

Economic:

A. Chinese merchants hoarding silver coins. Central Bank plans to alleviate shortage by distributing centavo pieces and 5 centavo pieces which contain no silver. Vice President Fernando Lopez advocating law against coin hoarding. Forces motivating hoarding:

- 1-fear peso devaluation,
- 2-desire to smuggle silver out of PI,
- 3-alleged Communist desire to disrupt Phil economy.

Eval B-3.

Representations made to Chinese legation to curb hoarding. Bulk of silver coins in Provinces are in hands of Chinese Businessmen. Eval-D-3.

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PRIORITY

[Handwritten signature]

Consult Crypto Center before declassifying.
Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 17 a (1) (2), and 41 c (2)(3), AR 380-5, 15 November 1949.

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 51i and 60a, AR 380-5.



9608

~~Secret~~
PRIORITY

FROM: CG 13TH AF NR : C 4707 D/I 11 FEB 50 CONT'D

Central Bank Governor Miguel Cuaderno stated encouraging result control measures was increased demand for locally manufactured goods and consequent increased local employment. Felt laborers discharged by imported could be absorbed by manufacturing industries. Stated bank currently making studies to minimize effect of control measures. Eval B-2.

Latest Central Bank report shows Philippines lost 26,710,000 pesos in dollar reserves during 2 month exchange controls in effect. Loss drops dollar reserves to 221,215,000. Economists believe \$200,000,000 lowest safe reserve. Eval D-2.

Phil Govt announced foreign capital invested Phil Mining "would be free from foreign exchanges restrictions." Plan to allow withdrawal foreign capital presently under study. Eval D-2.

Phil Abaca Development Co filed Corporation Papers. Capitalized 3,000,000 pesos; 1/3 subscribed and paid. Eval D-2.

(Comment: Corp formed by Jan H Marsman to take over Abaca Contract with National Abaca and Fibers Corporation.) (REWEEKA of 13 JAN). Price level index 4 Feb 50, 229.85. Index 3 Dec 49 when tightened import controls took effect 220.53. Rise constant except for slight recession last week Jan. Eval D-2.

Radio telephone service between Taipei Formosa and Manila opened 7 Feb 50. Eval D-3.

US Veterans Administration check being purchased by speculators from 10 to 30 percent above face value and sold on black market. Rumored senate considering asking US Treasury Department to route pension check to Phil through Phil Govt, to preserve value pesos. Eval D-2.

B. Phil Central Bank Governor Miguel Cuaderno stated in confidence to members House Representatives Special Committee on import and price control that "pesos will be devaluated if present import control law fails in operation." Cuaderno admitted remittances to foreign country of 30,000,000 through Foreign bank in Manila 2 days before enactment exchange control. Eval C-3.

(Ref WEEKA 20 Jan). House import and price control committee approved selective price control. Presently drafting new Price Control Bill for "immediate consideration". Items placed under new Selective Price Control both imported and locally made. Eval D-3.

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PRIORITY

~~Secret~~
-4-



INCOMING MESSAGE

PRIORITY

FROM: CG 13TH AF --- NR C 4707 D/I --- 11 FEB 50 --- CONT'D

made. Eval D-3.

Committee on price and import control to encourage and protect local industry but will nevertheless impose restrictions locally produced goods to allow only reasonable profit. Eval D-3.

J Robert Sowder reportedly backed by Wells Fargo and American Express Company of New York proposed establishment sales Company here to distribute all Phil copra throughout world. National Development Company General Manager Col Amado N Bautista stated cabinet and policy officials gave "OK final" negotiations not yet made. Eval D-3.

Secretary Agriculture Placido Mapa suggested Phil Agricultural Funds be raised by issuance bonds on American markets. Eval D-3.

Acting Secretary Foreign Affairs Felino Neri urged Barter Trade Agreements as General Economic Policy. Eval D-2.

C. President United Workers Phil (Federation Obreras De Filipinas) Jose Nava appointed Cio National Vice President in lieu of Buillermo Capadocia who joined Huk Forces. Eval B-3.

Mil:

C. Assistant Chief of Staff G-2 Phil Constapulary Lt Col Macario Asjstic may be charged with dereliction of duty and on several counts of accepting bribes. Eval C-3.

New Mil Attache to US Lt Col Manuel Q Salientes to enplane for Washington 15 Feb. Eval D-3.

Air:

C. New Air Attache to US Lt Col Jose B Ramos to enplane for Washington 1 Feb. Eval D-3.

Neval:

C. Unidentified submarine sighted by Phil fisherman in 3 different positions Balahan Bay, Luzon Phil (1 degrees 51.0 north-120 degrees 47.5 east) during hours 0001 to 0400, 26 Jan 50. Eval B-6.

Miscellaneous:

Chinese Communists allegedly using "compadre" system to
53517 PRIORITY

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Consult Crypto Center before declassifying.
Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 17 a (1), (2), and 41 c (2)(3), AR 380-5, 15 November 1949.

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 51i and 60a, AR 380-5.



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~~Secret~~
PRIORITY

FROM : CG 13TH AF NR : C 4707 D/I 11 Feb 50 CONT'D

gain influence with ranking Phil officials. This concerns recognition of another as Godfather, Godbrother, etc. PC Sources state many Chinese Communist investigations nullified by intervention by Filipino compadre of subj of investigation. PC Lt Col Macario Asistio is compadre local Chinese Communist financial backbone Afonso Sycip. (Ref mil C. Above.) Chief Staff Phil Armed Forces Major Gen Mariano Castaneda is compadre to known Chinese Communist leader Co Chi Pak. Pak recently gave Castaneda's wife 3000 ring. Eval B-3.

Miscellaneous:

B. High Phil Govt officials (not named) reportedly blocking NBI as well as PC work and protecting Chinese entered illegally. Eval C-3.

Congressmen (not named) allegedly received and made use of alien quotas for entry into Philippines. Secretary Dept Justice Ricardo Nepomuenco stated NBI reports on immigration quota cases against were sent to Senate President Mariano Cuenco and House Representatives Speaker Eugenio Perez. Cuenco and Perez denied having received reports presumably because of personal implication. Eval C-3.

Hong Kong Chinese allegedly entering Philippines on temporary visas despite executive order forbidding such entry. Visas signed by Jose Rodriguez Phil Consul in Hong Kong. Rodriguez claims signature forged. Eval B-2.

(REWEEKA 13 Jan). OGID HNDP Agents under Phil Mil Attache at Bangkok Thailand, Major (FNU) Ganson investigating Phil Foreign Service pers in China, Malaya, Hong Kong and other Far East Areas to apprehend those conducting illicit activities, particularly in regard to illegal entrance. Eval B-6.

Large number well indoctrinated Communist Agents, particularly Chinese, have been infiltrated since early 1948 into Philippines from Sandakan, British North Borneo, through Ports of Davao, Sulu, Zamboanga and Cotabato. Facilitation entries accomplished by bribery key officials ports of entry to issue alien certificates of registration. (ACR). Many ACRs reportedly signed by Asst Commissioner B. J. U. Immigration (FNU) Bautista. Chinese cooperating with Chinese Communist are Tan Han and Ting Ah Kip (alias Ernesto Ting). Han facing deportation charges, no charges pending against Ting due to close connections with House Representatives Speaker Eugenio Perez. Eval B-3.

San Narciso, Quezon Province used as landing point Chinese illegal intrants.

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PRIORITY
~~Secret~~
-6-



INCOMING MESSAGE

FROM : CG 13TH AF NR : C 4707 D/I 11 FEB 50 CONT'D

Smuggling continues due to corruption in high Phil Govt circles. The organizers of illegal activity reputedly Ten Ham, Chua Tiong, Uy Guan Chuan, Ong Su Cuan, Uy Hua, exguerrilla General (FNU) vera and unidentified Phil officials. Illegal entrants pay between 500 to 700 American dollars, are provided ACRS. Aprx 250 illegal entrants apprehended while trying to enter through this route. 13 still imprisoned but others have been deported to China. Majority came from Chiosay, Chinkang, China; Nus Hay, Ching kang, China; Amoy, China. Eval C-3.

Chinese Communist Courier intercepted Philippines allegedly had folg Chinese Communist East EI for Philippines;

1-courier to contact Chinese Communist Party leaders Manila to determine current situation,

2-obtain maps military, air installations, battle orders,

3-location water reservoirs, pumping stations, power plants

4-identify Phil and American volunteer disaster organizations and probable functions. Eval C-6.

Financial backing Chinese Free Masons (Hong Bum Society) furnished by Co Chi Pak. Eval B-3.

Chinese Communist leaders organizing new chapters and recruiting in southern Luzon. Number Communists reportedly rising steadily. Eval B-6.

New China News Agency, Kowloon, Hong Kong, disseminating Communist Press releases to local Chinese papers. Eval B-3.

Communist News organ "Titis", listed folg Communist objectives 1950;

1-overthrow Quirino Administration,

2-establish Govt patterned after "New Democracy."

Objectives to be attained by;

1-forming National organization against Quirino and Liberal Party,

2-strengthening Huks, F-S revolutionary Forces Philippines Moros and cultivating "cooperation with PC and Armed Forces Phil"

3 (expanding sphere of influences),

53517

PRIORITY

-7-

Consult Crypto Center before declassifying.

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 17 a (1) (2), and 41 c (2)(3), AR 380-5, 15 November 1949.

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 51i and 60a, AR 380-5.



1608

PRIORITY

FROM : CG 13TH AF NR : C 4707 D/I 11 FEB 50 CONT'D

4 (cleansing ranks of opportunist elements and those "against our policy of armed conflict". Eval C-2.

Members of Phil Communist Party (PKP) and National Peasants Union have been absorbed into labor battalions of Huk Army. Eval B-3.

Labor Battalion composed of approximately 3,000 men headed by fol off; "Lt Col" Guillerno Capadocia, Major Lazaro Cruz, Leopoldo Ponelas, Honofre Mangila and Capt Guillermo Calayag planning unknown developments as "active means must be utilized to retaliate against Quirino administration". Certain Labor Unions reportedly organizing Labor Battalions to recruit men for Huks. CLO cooperating fully with "Labor Battalions Projects." Eval B-3.

Communist inclined labor elements Visayans reportedly sending contact men, including Col Vice President Jose Neva, to Mindanao Island to organize labor along Communist lines. Eval C-6.

Senate Committee on Army, Navy and Mil pensions allegedly in possession info showing Huk have potential man power for large scale mil operations if properly equipped. Information reportedly based on PC intelligence reports states Huk total membership 110,000 in Nueva Ecija and Pampanga Provinces alone. Eval D-3.

Secretary Interior Sotero Baluyut did not confirm figures but said they possibly included members of PKP who sympathized with the Huks. Eval D-3. PC Hq estimated Huk strength in field throughout Central Luzon 21 Jan 50 as fol: Bataan 620; Bulacan 992; Nueva Ecija 1,428; Zambales 500. Total 5490. Eval C-3.

Joint Armed Forces Phil and PC driving in Laguna Province with objective Huk band allegedly headed by Mariano P Belgos and Guillermo Capadocia at Mt Banahao (14 degrees 04.0 north-121 degrees 2910 east). Eval D-3.

5 PC companies launched "Operation Revenge" Bulacan Province 7 Feb 50. Eval D-3.

Govt Forces southwestern Nueva Ecija alerted to frustrate insident infiltration as alleged result "Operation Border." Eval D-3.

Anti Communist Asiatic League launched Phil last week. Branches and chapters to be established South Korea, Japan, Formosa, India, Siam, Indonesia, Burma and Australia. League to operate through info and other MEDIA. Eval D-2.

53517

PRIORITY



~~INCOMING MESSAGE~~
PRIORITY

FROM : CG 13TH AF NR : C 4707 D/I 11 FEB 50 CONT'D

Chief Phil Secret Service Lt Col James H Keefe pulled strings to release boat seized by PC belonging to former USN Commander Ross. Ross either current or potential smuggler, gun runner. Eval B-2.

(Comment: PI Secret Service is investigative Arm of Customs Bureau). Assistant Chief Intelligence Section Manila Police Dept Lt Verzoza plus unidentified detectives reportedly conniving with gun running suspect American Walter "Slim" Mason, in "large deal" involving gun running and/or illegal entry Chinese. Financed by local Chinese millionaire Kim Ki. Eval C-3.

Possible gun running boat "La Suarte" departed Phil for Shanghai although cleared for Marshall Islands. Eval B-3.

(Ref WEEKA 3 Feb). Rumored 30 plane loads assorted arms air dropped to Cap The Sterling in Indonesia. 11 plane loads allegedly originated Phil. Eval D-6.

Severino Carcia alias Bino and Julian Masagpag charged with illegal traffic explosives for discovery 6,000 sacks estimated worth 200,000 in Barrio Manghinao, Bawan, Batangas. Eval D-3.

Constabulary Agents found prosecution witness Salgado murder Case Luis Guillermo missing since 29 Jan. Agents captured 4 of 10 men who kidnapped him. Eval D-2.

(Comment: Motives for attempted ambush Castaneda and kidnapping Guillermo still obscure). Unknown Chinese male reportedly engaged counterfeiting American currency Catabato, Mindanao (7 degrees 13.7 north-124 degrees 14.8 east). Apprehended by Quezon City Police Dec 49 but release on payment of 26,000 pesos bribe to arresting officers.

ACTION : G-2

NO SIG

INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, G-1, G-3, G-4, AG, DIPLOMATIC, JSPOG

53517

PRIORITY

TOO : 100830 Z

MCN : 56911

-9-

Consult Crypto Center before declassifying.

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 17 a (1) (2), and 41 c (2)(3), AR 380-5, 15 November 1949.

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 51i and 60a, AR 380-5.

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

INCOMING MESSAGE

~~Secret~~
ROUTINE

TLD/bjf

12 Feb 50

FROM : DA WASH DC

TO : CINCPAC (G-2) TOKYO JAPAN

NR : 100800 Z (PASSES MSG DTG 100800 Z FROM US ARMY
LIAISON OFFICE SPORE TO DEPT ARMY CSGID SIGNED
LANGDON) (JOINT WEEKA NUMBER 6 FROM SANA DTD
10 FEB SINGAPORE, TO H. G-2 CINCPAC TOKYO AND
H. G-2 USARPAC) (COPIES POUCHED LONDON, BANGKOK
MANILA, NEW DELHI, KARACHI, BATAVIA, SAIGON,
KUALA, LUMPUR)

Spore and Federation:

Political: US, Brit and Australian recognition
Vietnam Laos and Cambodia heads news. Editorial leading
Asian paper considers that of US most important as policy
for months been question mark and asks if stage now reached
of calling halt.

Comment: This concrete step leads in convincing
populations US interest. In Southeast Asia. Acheson press
statement Feb 8 rejecting suggestions for new American peace
proposals and basing anti-comm strategy on strength instead
weakness adds to meaning this area recognition Bao Dai.
Jessup's visit and pending Bangkok conference give encourage-
ment US participation local problems. High Commissioner
Federation announced Feb 8 enrollment 100,000 volunteers for
Malayan peoples anti-bandit month their main tasks being

53718

(over)
ROUTINE
~~Secret~~

DECLASSIFIED PER JCS LTR OF
20 AUG. 75



Consult Crypto-Center before declassifying.

Paraphrase not required. Handle as correspondence of
classification carried hereon per paragraphs 17 a (1)
(2), and 41 c (2) (3), AR 380-5, 15 Nov 49.

Paraphrase not required. Handle as correspondence of classification carried hereon
per paragraphs 51i and 60a, AR 380-5.

U. S. GOVERNMENT PRINTING OFFICE 16-57558-1

(weeka) DA 310645 refer

260E

~~Secret~~
ROUTINE

FROM : DA WASH DC NR : 100800 Z 12 FEB 50 CONT'D

firstly speaking at meetings people who have not volunteered because are victims of commie propoganda and secondly to accelerate resettlement and administration of squatters.

Comment: Despite large enrollment and wide publicity spectacular results doubtful but should counter increased tempo bandit activities.

Economic: Rubber hit new high 53 fraction straits cents pound now receding a little but major factors encouraging supporting belief here will hold steady around 50 to 51 straits cents. On London market rubber price has fully discounted devaluation sterling London prices advanced nearly 42%. Malayan foreign trade 1949 adverse balance straits \$162,250,000 over 2 1/2 times figure for previous year. Imports straits \$1,839,800, exports \$1,677,400. Imports increased 3% exports decreased 2.7% below previous years. US largest taker of 1949 Malayan exports 25.6% but imports from US on declining basis as Jan 6.0% December only 5% of total imports and exchange and trade controls progressively shutting out most US goods except those bought from Hong Kong stocks with sterling currency.

Military: Bandits attack small camp 11 1/2 miles from Pasit Sulong Village between Patu Pahat and Yonh Peng in Johore on 3th. Killed 2 auxiliary police, and 1 Malay child. Burned 2 homes and robbed several persons. About 80 bandits attacked village of Sumpang Tiga in Sitiawan Area on 5th. Burned about 60 buildings. 1 civilian and 1 infant killed. About 1,000 persons homeless. 2 hand grenades, 1 a dud, thrown into Spore Traction Company car park on 4th. 2 buckets containing bottles gasoline hidden under trash also found. No casualties. 2 buses slightly damaged. Bandits make second ineffectual attempt damage Spore watermain near Scudai in Johore. Foulger of Spore police upon return from United Kingdom states that use of Army unnecessary Spore. Such a blunt statement may well cause ill feeling between service and civilian heads. In addition, as in previous reports, standard of Spore police has deteriorated compared with Year 1948.

Naval: French Sloop Lagrandiere arrived Singapore Naval Base 4 February from Saigon with 57 tons gold bullion (possibly reparations from Japan) for deposit in the Banque De Indochine Singapore. Estimated value US dollars \$58,800,000.

53/16

ROUTINE

~~Secret~~

-2-



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



INCOMING MESSAGE

Secret

ROUTINE

FROM : DA WASH DC NR : 100800 Z 12 FEB 50 CONT'D

Rear Admiral Faulkner arrived Singapore and relieved Rear Admiral Caslon as Flag Officer Malayan Area 8 Feb. Rear Admiral Caslon departed Singapore for United Kingdom via United States 9 Feb.

NO SIG

ACTION : G-2

INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, G-1, G-3, G-4, AG, DIPLOMATIC, JSPOG

53718

ROUTINE

Secret

TOO : 100800 Z
MCN : 56945

-3-

Consult Crypto-Center before declassifying.
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Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 51i and 60a, AR 380-5.

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

INCOMING MESSAGE

ELT/ewj

~~Confidential~~
ROUTINE

10 Feb 50

FROM : USMILAT (SMA) MELBOURNE AUSTRALIA
TO : CSUSA WASH DC, CINCPAC TOKYO JAPAN
NR : 100300 Z (JOINT SANA WEEKA NBR C-43)

Political: Press much concerned with rept statement of Communist waterside of 12 Feb in Brisbane proclaiming program disruption of industry by short hit and run strikes.

Comment SMA: Despite moderate union leaders disavowal recent statement by Commie minor secy announcing planned wave rolling strikes, New Geelong port strike over minor matter tends confirm at least minority radicals plan strikes at carefully selected spots and intend auto involve other unions which would not touch related work.

Tasmanian Labor Govt to be forced to hold election soon after State Parliament reconvenes 21 Mar due loss of majority because of Independents criticism of political choice for new Agent Gen in London. All states but Victoria including all labor states to hold election Mar to May.

Truman decision on hydrogen bomb considered by most editors only possible course.

Brisbane arrest of Chinese ship Union Star by US reported but no press comment yet.

W R Fullagar of Victoria new High Court Justice.

Menzies Govt fulfilled 2 foremost election pledges by announcements 8 Feb removal gasoline rationing and institution 20 Jun of 56 cent weekly endowment for first child under 16 years old.

Strengthens Liberal psn in significant Concord NSW by-election 11 Feb.

53314

(over)
ROUTINE

DECLASSIFIED PER JCS LTR OF
20 AUG. 75

~~Confidential~~
Consult Crypto-Center before declassifying.
Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 17 a (1) (2), and 41 c (2)(3), AR 380-5, 15 November 1949.

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 51i and 60a, AR 380-5.



060E

~~Confidential~~
ROUTINE

FROM : USMILAT MELBOURNE NR : 100300 Z DTD 10 FEB 50 CONT'D

Aust recognition Bao Dai Govt of Viet Nam and of Laos and Cambodia announced 8 Feb.

Comment SMA: New govt rept busy drafting legislation to execute platform pledges including constitution amendment to require referendum action before nationalization any industry. New Parliament sed convene 22 Feb expected continue end Jun.

Economic: Menzies formally announced immediate end gasoline rationing in radio broadcast evening 8 Feb; speech defensive in temper and reiterated Australian concern for UK economic psn.

Heavy rains Eastern Australia have interrupted coal production in open cuts some of which may be non operative several weeks.

Kerosene price raised 2.25 cents 6 Feb; third petroleum products price rise since devaluation. Extensive tax revision plan be considered by cabinet.

Mil: Menzies rept denying def stocks petrol be used to maintain public sup. Fuel Minister states cessation petrol rationing will save est \$1 1/3 million on former ration overhead expense.

Naval: Changes disp operating forces RAN 10 through 16 Feb. CVL Sydney DD Bataan Hobart. PF Culgoa en route Kure to Manus. PF Shoalhaven Kure. SS Telemachus 15 depart Sydney en route Cape Farewell NZ. Tug reserve en route Manus to Port Moresby.

Air: Air Minister cont tour RAAF sta. Sir Miles Thomas Chairman of Dir BOAC visits Australia to discuss preliminary plans CWC Britains jet Comet in Australia and on Sydney-London route. Expects Comet test flight to Australia this year with plans regular jet svc by 1952.

NO SIG

ACTION : G-2

INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, G-1, G-3, G-4, AG, DIPLOMATIC, JSPOG



53314

ROUTINE

~~Confidential~~

TOO : 100300 Z
MCN : 56895

~~SECRET~~

~~SECRET~~

GENERAL HEADQUARTERS
FAR EAST COMMAND

L00211

GB/T Int/LJF/bd
9 February 1950

OUTGOING MESSAGE

FROM: CINCFE TOKYO JAPAN
TO : DA WASH DC. ROUTINE
INFO: USMILAT SEOUL KOREA. ROUTINE
CG USARPAC HONOLULU HAWAII ROUTINE

For CSGID. Pass to USAF for info.

Subj is Joint Army-Air Weeka 6.

CX54854

JAPAN:

POLITICAL:

(a) Important Changes or Contemplated Changes in Govt: Japanese political figures, newspapers and ordinary citizens voice views concerning Soviet demand that Emperor be tried for war crimes. Leaders, newsmen and people, with notable exception of Communists, strongly condemn Soviet demand. Communist leader SHIGA Yoshio recalls that Reds called for Emperor's trial soon after war, asserts party still holds same view.

Politbureau member NOZAKA Sanzo (CINCFE Weeka 4) issues apologetic statement in answer to Cominform blast, admits "deviation" in theories; says theory that "people's" Govt could be formed under occupation was in error; urges other party members to practice same self-criticism. Statement follows pattern of other apologetic statements by Japan Reds since Cominform blast.

Diet Joint Struggle Committee, representing nation-wide labor unions, indicates gen strike may be resorted to if wage boost not granted. Govt, Democratic Liberal Party form special committee to deal with strike threat.

ECONOMIC:

(a) Proposed or Actual Economic Changes: Curr issue 31 Jan 320,397,000,000 yen. Net contraction for Jan 35,000,000,000 yen due excess Govt receipts over expenditures and tight credit policy of Bank of Japan. Curr issue 6 Feb 307,461,000,000 yen. Coal production for Jan 3,043,300 tons against 3,856,000 tons for Dec. Drop due to New



INFORMATION COPY

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DECLASSIFIED PER JCS LTR OF
20 AUG. 75

~~SECRET~~

FR CINCFE TOKYO JAPAN TO DA WASH DC GB/T Int/LJF/bd 9 Feb 50

Year's holidays. Steel production at Yawata falling off due to steel workers strike.

REPATRIATION HIGHLIGHTS:

During routine Soviet inspection of "Takasago Maru" in Nahodka 6 Feb, Russian Lt Col told capt of vessel that "one more shipful" (CINCFE Week 4) repatriates would be ready late Feb or early Mar. Vessel arrived Maizuru 8 Feb with 2,203 Japanese, of whom only about 30 require medical treatment.

NORTH KOREA:

MIL:

(c) Trp Movements, Concentrations, Opr: Aprx 2,100 recruits and former members Chinese Communist Force (CCF) LEE Hong Kwang unit arrived Sinuiju (4006-12424) during period 20 Nov to 27 Dec 49. Trps brought 76mm field guns, six mortars, five vehicles, and undetermined number small arms. Bldg where some of the trps stationed referred to as Peoples Army Tng Institute. CCF pers reportedly are processed and trained there prior to assignment 38 Parallel areas. Separate rpt states about 2,000 CCF trps transferred Chongjin (4146-12949) to Kumhwa (3818-12728) 17 Dec 49, where they began combat tng with Peoples Army (PA) forces.

Comment: Foregoing rpts spt original contention that CCF trps in North Korea would be moved southward for integration into existing PA units or for utilization as separate units. Indications are becoming stronger that appreciable number CCF pers being added to native forces in 38 Parallel areas.

Undetermined amount of ammo and number mortars and rifles fr USSR delivered Hungnam (3950-12738) 11 Jan 50.

Comment: Believed that Soviets furnishing mil aid to PA but that aid not gratis. Rpts indicate populace compelled to contribute to fund for purchase equip for armed forces. Amount of small arms and small arms ammo furnished PA should decrease as North Korean arsenals swing into serious manufacture good quality products.

In Nov 49, North Korean Govt reportedly was conscripting middle school students, 18 yrs old, for service in PA.

Comment: This is one of many rpts on conscription in North Korea. Previous info, however, stated that middle school students subj only to mil tng such as that given to a reserve orgn. If rpt is true, it indicates more intensive effort expand PA than previously anticipated.

~~SECRET~~

Page 2 of 5



~~SECRET~~

FR CINCPAC TOKYO JAPAN TO DA WASH DC GB/T Int/LJF/bd 9 Feb 50

Railway Constabulary Brigade str scheduled to be increased to 4/5,000, utilizing CCF trps.

Comment: Target date for expansion not reported. Currently accepted str this unit 3,700. Rpt considered logical and fairly reliable.

PHILIPPINES:

POLITICAL:

(c) Reaction to Important Events: Philippine Cabinet approved and forwarded to President Quirino surplus property rpt compiled by Bud Commissioner Pio Joven. Joven stated loss \$53,600,000 (US) due to: (1) pilferage by Americans and Filipinos "before, during and after turn-over of stocks to PI Govt", (2) depreciation as result of exposure, (3) undetermined value of stock owing to absence of inventories, (4) "isolated cases" of sales irregularities. Joven stated transfer of surplus property also included roads, airports, and "invisible items" such as grading and filling of lands on which bases established.

Philippines high level policy makers reportedly feel US should aid Taiwan to forestall Communist capture of island and subsequent threat to PI. Gen public opinion toward Govt policy reportedly is "hands off" regarding international affairs particularly Chinese Nationalist and Red China matters with view avoiding involvement in maj Far East war. PI Govt ofls allegedly more concerned with 500,000 Chinese presently in PI and believe US will protect PI externally if PI can oust Communists.

Comment: Although number of Chinese in PI is growing, figure 500,000 believed exaggerated.

ECONOMIC:

(a) Proposed or Actual Economic Changes or Reforms: Import Control Board Chairman Cornelio Balmaceda permitted private import 14,000 tons Japanese cement. No dollar exchange involved.

Source Comment: Govt-owned Cebu Portland Cement Co has enjoyed monopoly local market and was only co allowed import cement. Cebu Co criticized recently owing to high prices and shortage cement.

Labor Secretary Primitivo Lovina's repeated criticism of Import Control Law provoked statement by Senator Tomas Confesor that Lovina should resign if not willing spt Govt policy. Lovina contends import control has: (1) increased unemployment at critical time, (2) reduced wages, (3) resulted in higher commodity prices.

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Page 3 of 5



SECRET

FR CINCFE TOKYO JAPAN TO DA WASH DC GB/T Int/LJF/bd 9 Feb 50

MIL:

(a) Changes or Contemplated Changes in Policy: Senator Justinio Montano stated majority of Senate demanding peace and order be restored within six mos "with present forces and facilities". If not, Senate bloc will fight for removal of Interior Secretary Sotero Baluyut, Defense Secretary Ruperto Kangleon, Armed Forces Chief Maj Gen Mariano Castaneda and Philippine Constabulary (PC) Chief Brig Gen Alberto Ramos.

Suspension of PC recruiting on 2 Feb reportedly result of dissension between Senate, Army and Navy Committee, and ofls of Army, Constabulary, and National Defense Dept.

(c) Trp Movements, Incidents, and Opr: PC's recent central Luzon "Opr Border" ended 1 Feb at considerable expense arty ammo. Huks reportedly eluded all PC efforts engage them. New anti-Huk opr scheduled for Bataan Peninsula 10 Feb.

RYCOM:

POLITICAL:

(c) Reactions to Important Events: Leftist leaders presented petition 1 Feb to Okinawa Mil Govt based on 5-point resolution passed by 1,500 persons attending Naha political meeting 29 Jan (CINCFE Week 5). Petition alleges civil police brutality and calls for democratization Okinawa police through public election Commissioner and District Chiefs and better living conds for police officers. Subsequent meetings included gatherings at Ishikawa 3 Feb and Naha 5 Feb. Topics discussed same as 29 Jan meeting.

AIR: (Reported by FE/F)

TAIWAN:

CAF acft observed Taipei Airfield 25 Jan 50 comprised of aprx 6 C-46s, 3 B-25s, and 4 PT-13 and PT-17s. Though no AA guns seen, 4 dummy-gun instls and several small camouflaged entrenchments observed. No photo security measures enforced; however, security sentries were posted aprx 250 ft apart.

FEAF Comment: FEAF air OB carries 3 C-47s, 2 B-25s and 2 misc acft at Taipei Airfield (assigned to VIP Flight Sec, C/F Hq). Reported variance probably due to presence transient acft at this hq field. No specific info has been received on AA dispositions at Taipei, although recent rpts indicate most of 8 large operational bases on Taiwan have some kind of AA defense.

SECRET

Page 4 of 5



~~SECRET~~

FR CINCFE TOKYO JAPAN TO DI W/SH DC GB/T Int/LJF/bd 9 Feb 50

RYCOM:

Suspected sabotage Kadena Air Base reported CINCFE Weeka 5 determined by OSI to be result faulty maintenance and repair.

OFFICIAL:

K. B. BUSH
Brigadier General, AGD
Adjutant General

APPROVED BY:

WM R. GROVE JR.
Colonel, GSC
Executive Officer

Copies to:

C-in-C
Cofs
G-3
JSPOG
RMGS
FEAF (courier)
G-2 return
G-2 T/Int return
G-2 CI Div return

MEMO FOR RECORD

Joint Army-Air Weeka No. 6 rad, covering political, economic, mil and air situation in Japan, Korea, Philippines and Japanese Mandated Islands, forwarded weekly to Dir of Int, WDGS in accordance with provisions of Chapter II, pars 23-29, MID, BID, 1 Sep 48.

SECRET

LJF _____ 26-6021



THIS IS AN ORIGINAL MESSAGE

Page 5 of 5

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

INCOMING MESSAGE

~~SECRET~~
PRIORITY

ELT/jrb

7 Feb 50

FROM : CG RYCOM OKINAWA

TO : CINCPAC (G-2) TOKYO JAPAN

NR : Y 20098



DECLASSIFIED PER JCS LTR OE
20 AUG 78

WEEKA in four parts.

Part 1, Political:

On 1 Feb 50 radical ldrs of racial front presented Okinawa Mil Govt Team with petition based upon 5-point resolution passed by approximately 1,500 persons who attended Naha Political Meeting on 29 Jan (see Part 1, our WEEKA Y 20083 dtd 30 Jan 50) petition alleges numerous recent acts of police brutality, calls for democratization of Okinawa police by pub election of Commissioner and Dist Chiefs, and improved living conds for police-offs. Copy of petition also handed to Gov of Okinawa. Second series of Joint Political Meetings by racial front agitators began with meeting at Ishikawa on 3 Feb. Second meeting was held in Naha on 5 Feb with approximately 700 people in attendance. Topics of discussion were same as at previous meeting, vis: Police brutality, illegality of Naha and Ishikawa elections, and inadequacy of Okinawa civ adm. People's Party of Yaeyama, which has no off connection with People's Party of Okinawa, recently met to pass a resolution to dissolve the party. Resolution will be submitted to Gen Meeting of Party members on 1 Mar. Reason for dissolution rptd to be futility of political opposition to Yaeyama Provisional Govt. Okinawa conservatives hope that People's Party and Democratic Alliance of Okinawa will take similar action. Kaseda Takashi, Mayor Naze, Amami Oshima, has appealed his conviction of charge of "usurping lost article" and it is rumored he will resign regardless of outcome of appeal (see Part 1, our

(over)

51633

PRIORITY

~~SECRET~~

Consult Crypto-Center before declassifying.

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 17 a (1)

(2), and 41 c (2) (3), AR 380-5, 15 Nov 49.

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 51i and 60a, AR 380-5.

4808

~~SECRET~~

PRIORITY

FROM : CG RYCOM NR : Y 20098 7 FEB 50 CONT'D

WEEKA Y 20041 dtd 16 Jan 50). If Kaseda resigns, fol candd expected to seek election: Conservative Motoji Hisao, Leftist Tabara Chugi, and Neutral Hauji Yojin.

Part 2, Economics:

Ldrs of "racial front" appear to have adopted the propa- ganda line that recent economic benefits established by Ryukyuan Mil Govt are result of changing world cond and nec- essity for retaining good will of natives as necessary factor in the def of Ryukyus.

Part 3, Subversive:

Namihira Tokuhachi, member of Japan Communist Party and suspected courier recently returned to Okinawa fr trip to Yonaguni, has advised Okinawa police that in his op Chinese Communists will take French Indo-China and Philippines before attempting invasion of Formosa. Also stated internal revolt in Formosa will precede invasion and that some of Chinese Red Forces may enter Yonaguni. Informants of unknown reliability in Kubura village, Yonaguni, have rptd that ldrs of Formosan home guard being organized by Nationalists were participants in 28 Feb 46 revolt and are planning to turn on Nationalists when Red Forces invade Formosa. Formosans said to be eager for oppportunity to advnge themselves for Feb 46 incident. Familiar tactics of Japan Communist Party seen in recent attempt by racial front to undermine public confidence in Okinawa Police Dept. Mimeographed ltr, believed to have been written by Oyama Mitsuji, recently elected Pres of Oshima Federated Young Men's Association, and Mor Ta Yoshiji, Amami Times Reporter and active Communist suspect, was found by Naze Police on 30 Jan to have been addressed to 28 Young Men's Associations in Northern Ryukyus. Ltr encourages all young men to take active part in politics, wipe out the "boss class," and carry out their objectives despite suppressive measures. Police have been instrd to obtain sufficient evidence for prosecution.

Part 4, Mil:

1st Lt B F Brown trfd to this orgn fr 29th Inf Regt to assume dys of tng and sup off G-2 sec.

ACTION : G-2

NO SIG

INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, G-1, G-3, G-4, AG, DIPLOMATIC, JSPOG, RYUKYUS MG

51633

PRIORITY

TOO : 060920 Z

MCN : 56755

~~SECRET~~





INCOMING MESSAGE

TER/bdh

~~Confidential~~
ROUTINE

6 Feb 50

3

FROM : CG MARBO GUAM
TO : CINCPAC (G-2) TOKYO JAPAN
NR : S 9734 MEGBI (WEEKA NO 68)

Nil: Jesus C Okiyama, Japanese Guamanian, frequently observed in company with members of Congress of labor organizations, has indicated considerable interest in purchase of large qty's salvage airplane parts from AF and Army sources. Parts are reportedly to be disposed of thru Philippine channels. Okiyama has questionable character having served prison sentence for embezzlement before Jap occupation of Guam. Customs records reveal Okiyama has received Clemente Papa (MARBO WEEKA 67), Angelina Papa, Benjamin S Coloma, Attorney, and Francisco Abelardo, all from Manila as visitors in his Yona village home.

Alfonso, Tan, Chinese, another visitor of Okiyama, brought \$100,000 to Guam having an interest in "apartment building".

Political: None.
Economic: None.
Subversive: None.

DECLASSIFIED PER JCS LTR OF
20 AUG. 75

NO SIG



ACTION : G-2

INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, G-1, G-3, G-4,
AG, DIPLOMATIC, JSPOG

51568

ROUTINE

~~Confidential~~

TOO : 060315 Z
MCN : 56749

Consult Crypto-Center before declassifying.
Paraphrase not required. Handle as correspondence of classification carried hereon per Paragraphs 17 a (1) (2), and 41 c (2) (3), AR 380-5, 15 November 1949.
Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 51i and 60a, AR 380-5.

59778 refers
59752 refers

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

INCOMING MESSAGE

~~Secret~~

ROUTINE

ELT/jrb

6 Feb 50

FROM : DA WASH DC

TO : CINCPAC TOKYO JAPAN

NR : 060458 Z (RELAYS MSG VIA DEPT OF STATE) (SENT DEPT 19.9,
FEB 4, NOON SIGNED COCHRAN FROM JAKARTA) (JOINT WEEKKA 5)
(FROM SM DEPARTMENT POUCH EMBASSY HAGUE. CRYPTO ARMY
PASS CINCPAC AND USARPAC)

Political:

Westernling activities quiescent time being. Rusi vigor-
ously pursuing his search. Confidentially intimated confessions
arrested Dutchmen may lead disclosure all involved in plot.
Tension somewhat relaxed but relation KNIL-TNI continue difficult,
particularly Bandung where armed special KNIL troops remain
located areas surrounding TNI posts. Reported Netherlands author-
ities plan issuing strong statement willingness support Rusi
and prevent KNIL desertions. Pasundane Cabinet Wali Negara
resigning and Rusi Cabinet approval given appointment Rusi
Commissioner install new administration. South Sumatra Parlia-
ment voted favoring end separate Negara. Process abolition Negaras
now well advanced South Sumatra, East, Central, West Java and
Madura. Trend direction UNI form national administration making
former Negaras possibly RK U Provinces. Anak Agung states
Communist activity increasing Cheribon, Krawang with some in-
filtration TNI.

Jessup cordially received, had frank informative talks
Indonesian officials. Sukarno returned somewhat influenced by
Nehru views. Increasing suspicion Soviet intentions, fear
external Communist infiltration may be reflected cautious reply
Soviet note on recognition Indonesia.

51581

(over)
ROUTINE

DECLASSIFIED PER JCS LTR OF 1
20 AUG. 75

Consult Crypto-Center before declassifying.
Paraphrase not required. Handle as correspondence of
classification carried hereon per paragraphs 17 a (1)
Paraphrase not required. Handle as correspondence of classification carried hereon
per paragraphs 51i and 60a, AR 380-5.



280E

Secret
ROUTINE

FROM : DA _____ NR : 050458 Z _____ 6 FEB 50 _____ CONT'D _____

Economic: More important strikes Jakarta and Bat strike Surabaya ended past week, workers generally accepting less than half original demands. In contradiction gloomy predictions some Dutch re future Netherlands business in Indonesia, local Dutch Manufacturer and Importer Philips Communication and Electrical Equipment told press firm planned increased production incandescent lamps Surabaya Plant in 1950. Firm also importing 500 community-type radio receivers with amplifier and loud speaker for Information Ministry to be used mass education campaign.

Expected influx American business executives to appraise Indonesian market already started basis number visiting embassy past month. Majority cautiously optimistic but some comment they receive reports Dutch still very much controlling economy through advisers to top officials and continuation Dutch officials flower import-export administration levels. While some evidence hesitant functioning new officials Ministry of Welfare in absence Djuanda and possible delaying tactics lowers Dutch echelons, embassy attributes impatience some businessmen to failure appreciate Ministry reorganization difficulties and degree Indonesian dependence upon advisers at least during initial period.

PANAM officials currently holding informal discussions with Indonesians re possibility unilateral air agreement permitting extension PANAM services Singapore to Jakarta.

Military:

General Sudirman, C-in-C TNI, died of illness Jan 29. The approximately 70,000 Dutch troops remaining in Indonesia scheduled to be recalled at rate of 9,000 per month. In view of lack of concrete plans for training mission, no definite figure can be set for size or composition of KL to remain.

Navy:

Two escort vessels transferred from RN to Indonesian Navy. Hafgzua, ex-Dutch Morotai, ex-British Ipswich, and Patunus, ex-Dutch Tidore, ex-British Kalgoorle. Two more escort vessels, Ambon and Banda, will be transferred by end of year. One undetermined ex-British destroyer also will be transferred by end of year.

10 Higgins boats which belong to the RIS are still being used at the request of the RIS to maintain anti-smuggling patrols.

More smuggling is reportedly being carried on now than before transfer of Sovereignty. About 200 craft per month are reports

51581

ROUTINE
Secret

-2-



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

INCOMING MESSAGE



Secret
ROUTINE

FROM : DA NR : 050458 Z 6 FEB 50 CONT'D

from Singapore to be conducting smuggling operations into Indonesia.

Dutch Navy training program for Indonesian Navy only military mission working at present.

Air:

NIAAF aircraft crashed on take-off at Boror this week killing both crew members.

Three Dakotas, 6 Pipers, 4 Harvards to be transferred from NIAAF to Indonesian Air Force this month. Will be stationed at Tjililitan Ane Andir.

19 Indonesian student pilots to be recalled from India to man above aircraft leaving NIAAF up in air."

NO SIG

ACTION : G-2

INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, G-1, G-3, G-4, AG, DIPLOMATIC, JSPOG

51581

ROUTINE

TOO : 050458 Z
MCN : 56744

Secret

Consult Crypto-Center before declassifying.
Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 17 a (1) (2), and 41 c (2) (3), AR 380-5, 15 Nov 49.
Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 51i and 60a, AR 380-5.

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

INCOMING MESSAGE

~~Secret~~

WG/jrb

ROUTINE

5 Feb 50

FROM : STATE DEPT WASH DC
TO : SCAP (USPOLAD) TOKYO JAPAN, DA WASH DC
NR : 051033 Z (SENT WASH FOR CSGID INFO CINCPAC FROM
TAIPEI FORMOSA SGD POSTON) (CITE OP-5)

"Following info Indo-China border source and G-2 and Chinese source 'c 3.:'"

"Pai trps First Army group disarmed at Lang Son 25,000. Pair requesting French permission return troops either Hainan or Formosa. 17th Army Group on border Ching Hsi. Several regiments in Indo-China. 10th Army Group Shih Wan Ta Shan Area (west Kwangsi), 46th Army plus 226th Division west of Chin Chow and east Lung Chow. Eight regiments this Army at Cao Bang under former Pao Dai follower Wu Hing Ching formerly across border, but pulled back after French arrest of Wu. French reported to have pulled back from Cao Bang to Lang Son, both Nat and CCP units now rptd in Cao Bang Area. Pai subordinate reports unit of 250 in battle with Viet Min this area. Both sides bombed by French air. French reported bombing anything they see in Indo-China. 46th Army CO my CO reports Viet Min forces Lang Son in contact his trps had excellent artillery believed to be Hup, but believes no large CCP forces have crossed to date. Estimate is major CCP aid to date is arms, ammo, supplies and technicians, actually forces few and scattered. Pai feels he has three enemies Indo-China, Viet Min, French and Chi Communists; also feels Communists will cross border in strength regardless of his actions. Pai still hoping for permission to join French, willing to put forces under either French or Annamite Command.

(over)

51322

ROUTINE

~~Secret~~

Consult Crypto-Center before declassifying.

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 17 a (1) (2), and 41 c (2) (3), AR 380-5, 15 Nov 49.

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 51i and 60a, AR 380-5.



0808

~~Secret~~
ROUTINE

FROM : STATE DEPT NR : 051033 Z 5 FEB 50 CONT'D

6,000 remnants of Chi 26th and 8th Armies reported vicinity Lai Chau under General Pen, believed still armed. Documents captured by Pai trps indicate Ho Chih Min was to help CCP in Pai rear in exchange for arms and equipment.

Comment: RO believes CCP trps will not enter China as such, but will either incorporate some Annamites and enter under Viet Min command or send only technicians and supplies. Annamites do not like Chinese historically and fared badly when Lu Han entered Indo-China in 1945. Same applies for Thailand and Burma. Believes this basis for current Chinese reports Ho Chih Min is Moscow designated leader Southeast Asia.

New subject: Pao OB 3d Army Group Liu Wan Ta Shan Area 30,000 only contact thru Wu Chou merchants Hong Kong. First Army Group Indo-China 25,000 disarmed. 17th Army Group Indo-China border Chinghsi Area 30,000. 10th Army group Shih Wan Ta Shan; 11th Army group disbanded; 226th Div to 10th Army group; 183d Div to 17th Army Group. One Regt Inf, one Btn Artillery and one sig Btn Hainan. Pai borrowed 5,000,000 Hong Kong dollars from Kwangsi Bank and Haikou Bank, MND will not repay but sent 100,000 over to Haikou for airdrop 29 Jan. Airdrop opns now handled by committee of 5: One man from MND G 3, one MND G 4, three Pai Hq. Pai spokesman states Pai will not take Minister of National Defense or Deputy Premier post PJD.

New subject: MND G 2 intimates CCP first phase for new year is attack Thai and Indo-China with propaganda and give supply and technical aid; second phase attack on Tibet using one div due supply problem; third phase attack Formosa. Communist forces being reorganized with NKD Nat trps going to Production Corps and new trps conscripted. 5th Field Army being deactivated; 1st, 3d and 4th Field Armies affected by reorganization. Russ are demanding 5,000,000 men for training for Commie Air Force by Russ, 200 as pilots, 300 as mechanics. Estimate attack Hainan about Chi New Year. But state Communist supply situation not good.

New subject:

Comment: 20 Jan Intelligence Digest re 30 CAF planes Sanya for evacuation Hainan incorrect, planes were for attempted evacuation 26th and 8th Armies, 20 plane loads out before turn-over with 50 persons per plane. Estimate one regiment evacuated."

51322

ROUTINE
~~Secret~~
-2-



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

INCOMING MESSAGE



~~Secret~~
ROUTINE

FROM : STATE DEPT NR : 051033 Z 5 FEB 50 CONT'D

ACHESON

ACTION : G-2

INFORMATION: COMMANDER IN CHIEF, CHIEF OF STAFF, G-3,
DIPLOMATIC, JSPOG

51322

~~Secret~~
ROUTINE

TOO : 051033 Z
MCN : 56738

-3-

consult Crypto-center before declassifying.
Paraphrase not required. Handle as correspondence of
classification carried hereon per paragraphs 17 a (1)
Paraphrase not required. Handle as correspondence of classification carried hereon
per paragraphs 51i and 60a, AR 380-5.

INCOMING MESSAGE

Secret
ROUTINE

TDD/jrb

5 Feb 50

FROM : DA WASH DC
TO : CINCFE TOKYO JAPAN
NR : 041449 Z (FROM STATE DEPT SGD ACHESON RELAYS FROM RANGOON SIGNED DAY) (JOINT WEEKA NUMBER 5 FROM SA TO CINCFE AND USARPAC POUCHED TO MOSCOW, LONDON PARIS, BANGKOK, DELHI, KARACHI, SINGAPORE, AND COLOMBO)

DECLASSIFIED PER JCS LTR OF 20 AUG 75



1. Political.

FONOFF now claims Kengtung situation quiet with withdrawal so called Chinese Commies from Burmese territory. Negotiations apparently underway establish exchange diplomatic representative GOB peking Govt as Burmese Consular Representative Kunming U pe designated charge d'affairs that purpose and attempting proceed Nanking, where GOB has junior representative. FONOFF believes peking will accept him as charge prior opening of negotiations as in case British.

Parliament reconvened Jan 31 and confirmed appointment 4 new Ministers, including 3 Socialists. 44 seats declared vacant as result none-attendance members at 30 consecutive sessions.

Comment: Incumbents most these seats associated with insurgent groups and either in prison or actively fighting against govt.

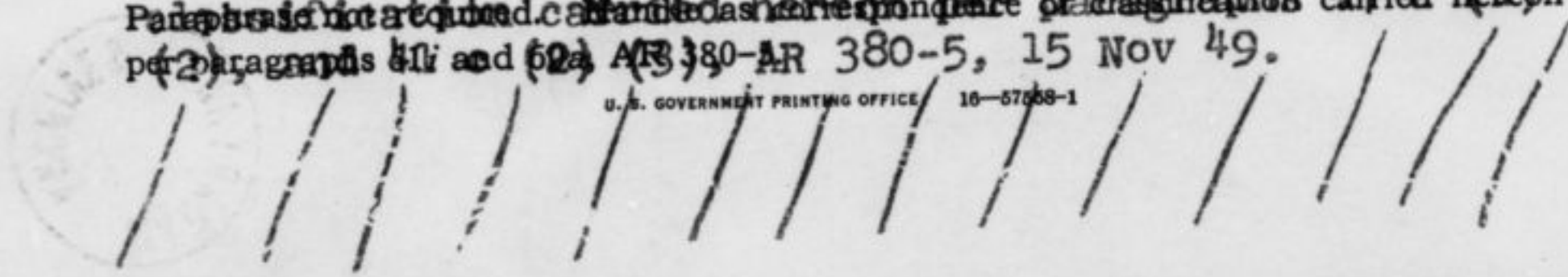
No decision yet as to date of elections with most opinion veering towards postponement in view unsettled conditions of country. Democratic party (Thakin Ba Sein President) charges present govt leading country towards Communism, calls for united front including non-Communist insurgents to create national coalition govt.

51256

(over)
ROUTINE

Secret

Consult Crypto-Center before declassifying. Paraphrase not required. Handle as correspondence of [unclear] per paragraphs 41 and 62a AR 380-5, 15 Nov 49.





9208

~~Secret~~

ROUTINE

FROM : DA NR : 041449 Z 5 FEB 50 CONT'D

Comment: Extent effective action opposition groups could take in event postponement elections doubtful in view superior organization of AFPFI, and non evidence any concerted genuinely popular movement against present govt.

Insurgent coalition (PVO, Communist, Army deserters) preparing hold local elections in Frome area presumably in order embarrass Ranggon Govt by demonstrating extent insurgent control that area Indonesian Pres Soekarno stopped over two nights Rangoon en route Djakarta. At govt reception his honor Soekarno pointedly friendly Americans present.

Commonwealth loan offer not in Burmese hands and bitterness at British still rising over rice price controversy and industrial disputes involving British firms. Govts financial inability buy rice from cultivators causing price fall in districts with much rice being bought by speculators. Agitation local press over this issue intensifying with gloomiest forebodings as to Burma's position if rice industry collapses.

2. Economic.

Third rice forecasts estimate current crop out turn at 4,019,600 tons paddy and probable exportable surplus at 830,000 long tons.

Comment: Estimated paddy production is 758,100 tons less than final production figure for last year, and estimated surplus is more than 400,000 tons lower than anticipated surplus 1949. These figures do not properly account for reserve stocks from last years crop. If military situation eases, and these additional stocks available to same, exportable surplus 1950 expected exceed 900,000 tons.

GOB still unable arrange sale 1950 crop and situation becoming increasingly critical. Rice shipments during Jan amounted to approximately 15,000 tons, of which only about 7,000 represented 1950 crop.

Comment: More than 100,000 tons were actually available for export. Price impasse still crux problem. GOB asked Ceylon (and by indirection UK and other commonwealth rice purchasing countries) indication concept reasonable price; only reply thus far request for GOB statement of position finality price schedule. Private trader informed embassy British areas

51256

ROUTINE

~~Secret~~

-2-

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

INCOMING MESSAGE



~~Secret~~
ROUTINE

FROM : DA NR : 041449 Z 5 FEB 50 CONT'D

in Asia refusing grant any import license for Burmese rice, making impossible for private traders reach these markets. Meantime GOB halted rice purchasing program, forcing fall in prices and cultivators income rates as high as 50%. Burma's small export trade almost entirely dependent rice reduced to trickle.

Bo Setkya, prominent socialist businessman informed embassy officer that during recent trip Europe he purchased ship repair plant facilities Italy rupees 500,000, and bought and/or leased 6 merchant ships ranging size 1,000 to 5,000 tons for use coastal and international trade.

Comment; Setkya apparently also being given option purchase from GOB surplus Burma Navy plant equipment which can be used in combination with equipment already purchased. Reliable GOB source opinion New Setkya plant probably assured sufficient work Navy and other vessels, since except IWT facilities required for use IWT vessels, such local facilities not locally available.

3. Military.

Senior Army General Staff Officer stated Kengtung situation now fairly well in hand, said regular troops flown to Kengtung City had orders move north attempt disarm all Chinese they could revealed stated and military authorities attempting establish organized internment camps, claimed a few Chinese already submitted easily to disarming and internment, but not yet sure whether remaining majority will resist, submit or evade. Stated armed Chinese Commies have withdrawn or disappeared, except possibly a few, at any rate not causing further serious trouble at present.

Comment: This responsible officer indicated war officer was more deeply concerned over developments two weeks ago than then admitted, implied that their own information then had been vague and conflicting reports received, as reflected by previous Embassy reports. Appears immediate danger has

(over)

ROUTINE

~~Secret~~

Consult Crypto-Center before declassifying.

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 17 a (1) per paragraphs 51f and 60a, AR 380-5.



5208

~~Secret~~
ROUTINE

FROM : DA NR : 041449 Z 5 FEB 50 CONT'D

subsided and that possibly situation was never quite as critical as appeared from first reports. Nevertheless situation in Kengtung and lack of effective govt control other border areas remains potential sources serious trouble.

Govt strength Loikaw area increased by air transport of half battalion troops from Rangoon. Advance south from Loikaw reached Hpruso.

Govt dirve to clear Karens and other insurgents in Twante area of delta has met with more effective resistance than expected.

Comment: Govt troops there were supposed complete operations by 25 January then be available elsewhere but are still engaged delta area and encountering difficulties.

Press reports 1,000 Communists who have been opposing KNDO in Nyaunglebin area suddenly withdrew to west.

Except above; little change military situation this week.

Comment: Apparent lull during preparation major operation.

4. Navy form NA.

River clearing operations in Irrawaddy delta completed for present. No firm plans for resumption because Army attention directed Nyaunglebin area. Convoy operations continue. HMV Kenya bearing Buddhist sacred relics from Ceylon and accompanied by Indian sloop Tir arrives 8th for three day courtesy visit.

NO SIG

ACTION : G-2

INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, G-1, G-3, G-4, AG, DIPLOMATIC, JSPOG

51256

ROUTINE

TOO : 041449 Z
MCN : 56723

~~Secret~~



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



INCOMING MESSAGE

~~Confidential~~
PRIORITY

FTS/ewj

4 Feb 50

FROM : SAA (DOOLITTLE MEYERS MILLER) KARACHI INDIA
TO : CINCFE TOKYO JAPAN
NR : 72 (JOINT WEEKA 5) (BOOK MESSAGE)

Political: President Soekarno of Indonesia paid rapid 2 day visit to Pak and was given tremendous welcome with Governor General Pri Min themselves meeting him at airport and series of receptions and dinners which went off with great cordiality. On departing morning Jan 31 Dr Soekarno invited Pri Min and wife to visit Indonesia at earliest possible moment.

GOP reports UT has accepted India's proposal for a small committee to discuss canal waters problem and suggested that it meet at Karachi on Feb 27. They have qualified their acceptance by stating that in case of deadlock agree to place matter before the IQJ.

As gesture to Iran Pak Govt announced the sending of relief mission of 7 doctors and several nurses to Zahidan Iran for relief of flood sufferers in that district. Plane load of medicines with the workers left Karachi Feb 2 via Quetta.

Pak papers are making great play of reported move on part of Egypt, Iran and Saudi Arabia to advise Afghans to desist from their anti-Pak propaganda. They also report tribesmen entering Pak from Afghan territory, state there is a move among Pushtu speaking residents of Eastern Afghanistan for a separate govt in the territory comprised between Jalalabad and Kafiristan on grounds

51174

(over)
PRIORITY

~~Confidential~~

Consult Crypto-Center before declassifying.

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 17 a (1) (2), and 41 c (2)(3), AR 380-5, 15 November 1949.

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 51 and 60a, AR 380-5.



DECLASSIFIED PER JCS LTR OF
20 AUG 75

KAR
CHI

2208

~~Confidential~~
PRIORITY

FROM : SAA KARACHI INDIA NR : 72 _____ 4 FEB 50 CONT'D

that they are unrepresented in Kabul Govt.

Agha Khan and wife arrived in Karachi Feb 2 and were given high reception at airport. Agha Khan expected spend sometime here but due to age and health has requested no schedule of entertainment. In press conference he issued advice to Muslim nations to keep neutral in present world divisions but be prepared to repulse aggressors. He stated that his mission had no political implications merely visit to see his followers, of which there are many thousands in Pakistan.

Tension over Kashmir still rising and all classes manifest decreasing confidence in UN willingness or ability to arrive at decision or enforce plebiscite. Pri Min left Karachi Feb 1 on visit to Army Hq at Pindi and passing out exercises Kakul Military Academy.

Economic. Visit of Pak Finance Minister to India resulted in no progress toward settlement Indo Pak economic problems according to Ghulam Mohammad himself. Coal shortage East Pakistan despite arrival first consignment Polish coal reported becoming critical. Publicity given Karachi press to charges that Pak consumers have received no benefits from non devaluation but that importers and profiteers are permitted by govt to make abnormal profits. Pak yet unable to sell surplus wheat of 500,000 tons despite some interest shown by Spain and Japan all new wheat harvest expected to yield exportable surplus double present quantity. With cotton season beginning 5th month only 300,000 bales of million have been sold and accumulating stocks viewed with concern, although prices refuse to break.

For first time full publicity given Pak trade agreements complete texts of documents signed with Japan, Western Germany and Czechoslovakia published, showing in general schedules of commodities which contracting parties hope may be bought and sold during 1 year period but with no firm commitments by govts except to grant licenses and assist in trade development by private parties.

Visit high powered British trade and industrial development mission headed by Lord Burghley expected soon. Switzerland begins preliminary talks on possible trade pact. Belgium, Hungary and Austria also understood to be interested Pak trade development program.

51174

PRIORITY

~~Confidential~~

-2-



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



INCOMING MESSAGE

Confidential
PRIORITY

FROM : SAA KARACHI INDJA NR 72 4 FEB 50 CONT'D

Army. Brigadier Ahmed Jan, Director and Inspector Pak Nation Guard, appointed Inspector General Frontier Forces effective 1 Feb. Col Khush Waqt Ul Mulk Deputy Inspector General Frontier Forces stationed at Quetta. This completes nationalization all command positions Frontier Force. Pri Min conferring Rawalpindi this week with top military personnel. Subject of nationalization receiving top priority.

Air. Col Charles A Miller arrived Kar assumed command Osira 1 Feb 50. Ref Joint WEEKA Nbr 4 Atcherley's travel to UK to test and contract for jet acft for RPAF approved by GOP refused by White Hall reason allegedly unknown to Atcherley or GOP.

NO SIG

ACTION: G-2

INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, G-1, G-3, G-4, AG, DIPLOMATIC, JSPOG

51174

PRIORITY

TOO : 040137 Z

MCN : 56709

Confidential

-3-

Consult Crypto-Center before declassifying.

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 17 a (1) (2), and 41c (2) (B) as AR 380-5, 15 Nov 49. Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 51 and 60a, AR 380-5.

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

INCOMING MESSAGE

~~Confidential~~

FIS/ewj

ROUTINE

DECLASSIFIED PER JCS LTR OF
20 AUG. 75



4 Feb 50

FROM : DA WASH DC

TO : CINCFE TOKYO JAPAN

NR : 040136 Z (RELAYS MSG FROM DEPT STATE) (SENT DEPT 376,
FEB 3, 4 PM FROM MANILA TO ARMY NAVY AND AIR DEPTS AND
CINCFE) (JOINT WEEKA 5)

Political:

Vice President Lopez in Jan 30 speech at Santa Cruz, Laguna, commended citizens that province which had voted heavily against administration in November elections for "keeping ablaze the flame of democracy" by supporting "an opposition party which is essential in this young republic." He explained his view that absence opposition party opens way for dictatorship whereas opposition offers a check on abuses and gives majority party incentive to do its best for people.

Comment: In country which had heard too many suggestions such as those of Laurel for one-party government and witnessed too much of Quirino's unwillingness that people find freedom expression at polls, these statements of Lopez came like breath badly needed fresh air. Incidentally, Lopez has in past weeks earned wide spread commendation and respect for good job he has been doing as acting Chief Executive in absence Quirino. We doubt Quirino will like this political build-up.

New York Herald Tribune story Jan 28 citing McConnell, member Embassy Staff, as authority for claim that more than \$2,000,000,000 surplus property in Philippines "lost, strayed or stolen" and reported comment on subject by Under Secretary Voorhees have

51188

(over)
ROUTINE

~~Confidential~~

Consult Crypto-Center before declassifying.
Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 17 a (1) (2), and 41 c (2)(3), AR 380-5, 15 November 1949.

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 51i and 60a, AR 380-5.



0208

~~Confidential~~
ROUTINE

FROM : DA WASH DC NR : 040136 Z DTD 4 FEB 50 CONF'D

raised moderate-sized storm in Philippine Government and press. Most spectacular countercharge came from pro-administration Congressman Atienza, who Jan 31 claimed US officials responsible for 80% graft and mishandling of surplus in Philippines. Report of Budget Commissioner Joven on disposal surplus made public Jan 31 admits appreciable quantities goods lost through pilferage but asserts such losses occurred both before and after turnover. Report recalls 1 former Chairman Philippine Surplus Property Commission convicted Malversation and his successor now facing criminal prosecution but in general minimizes irregularities and asserts numbers Americans also involved including former Provost Marshal Ft McKinley.

Comment: McConnell released statement to effect author of Herald Tribune story appears to have got her figures mixed but local press continues cite two billion dollar figure.

Preliminary hearings began Jan 30 in case against 4 alleged perpetrators of ambush General Castaneda, CofS of Philippine Armed Forces, in which Colonel Salgado killed. According press accounts hearings got off to bad start, star witness having disappeared and 3 defendants repudiating their confessions on grounds investigators had extracted confessions by means thorough "going over."

Comment: Philippine authorities do not claim to have established identify instigators of crime or their motives. Castaneda, in discussion officer Embassy Jan 31, volunteered nothing new on subject beyond expression fervent thankfulness that Lord had spared life.

Throughout past week press has contained daily accounts bombing and shelling supposed Huk hideouts Caraballo Mountains in Nueva Vizcaya Nueva Ecija Pangasinan border area, but none of reports indicates any contact with Huks.

Comment: Operations this sort may break up any Huks concentrations and keep them on move but seem to inflict few casualties upon them.

According press report Sulu Governor Tulawie has ordered disarming all persons carrying firearms who either are without permit or possess only temporary licenses, and has urged enforcement ordinance prohibiting carrying bladed weapons.

Comment: These measures of course occasioned by failure PC suppress dissident activity Sulu. Member Sulu Provincial Board Feb 1 informed Embassy officer that hardcore Kamlons forces comprises only about 100 his clansmen but that other Moros East Sulu turn out aid them from time to time. He confirms reports traveler from Sulu that large numbers weapons carried by

51188

ROUTINE
~~Confidential~~
-2-

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



INCOMING MESSAGE

ROUTINE

FROM : DA WASH DC NR : 040136 Z DTD 4 FEB 50 CONT'D

civilians there and asserts many of these weapons were distributed just prior Nov elections in order swing elections for Quirino and his Liberal Party. Source blames Governor Tulawie, who opposes settlement by amnesty, and high constabulary officer Sulu, who he asserts was Jap puppet Sulu during war and now seeks even old score with Kamlon, who was anti-Jap guerrilla.

Press reports Convention Leaders Philippine Vets Legion Jan 31 unanimously passed resolution condemning campaign period maltreatment and torture constabulary Capt Junsay in Occidental Negros, and urging govt apprehend persons responsible. According Jan 31 Manila Times report Governor Lacson has ignored request Secretary of Interior that he come Manila and report on the case.

Comment: President Quirino's own sides arranged shipment guns with which Governor Lacson armed the men who conducted pre-election terror in Occidental Negros. Accordingly it seems likely Baluot would be both surprised and embarrassed had Lacson obeyed his summons.

Senate Finance Committee dominated by pro-administration members, Jan 30 pigeon-holed resolution introduced by Senator Tanada calling for creation committee to investigate Philippine Govt financial position.

Comment: Tanada informs Embassy officer he possesses prima facie proof administration has financed ordinary govt operations in party by drawing on trust and fiduciary funds.

Economic:

Philippine Mfg Co subsidiary Proctor and Gamble, augurated 1,500,000 peso plant for production Camay Soap heretofore imported from US. Philippine Refg (Unilever) installing machinery for local production Lux both granted necessary exchange. Colgate Palmolive Peet has exchange application pending for machinery and raw materials for manufacture tooth paste and toilet soap.

President American Chamber Commerce Stevens at annual meeting stated "we can no longer question that certain controls have become necessary--only fighting to keep them down to a minimum and to have

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51188

ROUTINE

Consult Crypto-Center before declassifying.
Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 17 a (1) (2), and 41 c (2)(3), AR 380-5, 15 November 1949.

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 51i and 60a, AR 380-5



6908
~~Confidential~~
ROUTINE

FROM : DA WASH DC NR : 040136 Z DTD 4 FEB 50 CONF'D

them well administered."

Comment: Administration of import control still grave problem, Special Investigator Beronilla, who was ordered to terminate investigation Jan 31, blasted ICB for allowing importers to remove from piers under bond incoming merchandise not properly licensed. Ruling was only possible solution to relieve congestion. Import Commissioner Luna stated to Embassy officer that some 1950 import quotas issued. Embassy, however, unable discover any importer who has yet received quota.

Foreign businessmen concerned over lack general license to remit part of salaries for dollar savings and investments. Attitude Central Bank officials not encouraging as they fear political repercussions if aliens favored. Embassy realizes difficulty, particularly re Chinese, but fears that failure grant permission such remittances will make it difficult retain or attract managerial and technical talent needed in important dollar producing activities.

CB Feb 2 granted in total applications American President Lines to remit \$88,000 from ticket and freight sales. Very encouraging to foreign business.

Philippine Govt has formally requested extension War Damage Agreement to Jun 30, 1951, basis inability complete construction many public buildings for which US funds presently earmarked.

Comment: One reason alleged was inability undertake construction in several areas due activities dissident groups. Embassy believes extension agreement impossible without further Congressional action.

Embassy under Dept instructions on Jan 26 obtained from court First Instance Manila injunction detaining MV Union Trader pending filing US Govt suit against Chinese Govt for foreclosure mortgage on vessel. On Jan 30 operator, China Union Lines Hong Kong, through Manila agents filed counter-suit to lift injunction.

Comment: Opposing attorneys argued strongly non-jurisdiction Philippine courts over suits between sovereign govts. Embassys attorneys inconvenienced by non-arrival certified copy mortgage and anticipate court may lift injunction due failure produce mortgage.

Agent Philippine Govts request amend US-Philippine Air Transport Agreement to accommodate Philippine carrier route via Tokyo to Wake, Arreglado, foreign office, stated to member Embassy staff he anticipated negative response, in which event likely Philippine Govt abrogate agreement.

Comment: Believed abrogation highly improbable. Sgd Cowen.

~~Confidential~~
ROUTINE

NO SIG

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

~~CONFIDENTIAL~~
INCOMING MESSAGE



ROUTINE

FROM : DA WASH DC NR : 040136 Z DTD 4 FEB 50 CONT'D

NO SIG

ACTION : G-2

INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, G-1, G-3,
G-4, AG, DIPLOMATIC, JSPOG

51188

ROUTINE

TOO : 040136 Z
MCN : 56694

~~CONFIDENTIAL~~
-5-

Consult Crypto-Center before declassifying.

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 17 a (1) (2), and 41 c (2)(3), AR 380-5, 15 November 1949.

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 51i and 60a, AR 380-5.

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

INCOMING MESSAGE

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~~SECRET~~
PRIORITY

PTS/ewj



Feb 50

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FROM : DA WASH DC

TO : CINCFE (G-2) TOKYO JAPAN

DECLASSIFIED PER JCS LTR OF
20 AUG. 75

NR : 032050 Z (RELAYS MSG DTG 031000 Z FROM US ARMY SINGAPORE)
(JOINT WEEKA NBR 5 FROM SANA DATED 3 FEB SINGAPORE SIGNED
LANGDON, TO G-2 CINCFE AND G-2 USARPAC) (COPIES POUCHED
LONDON, BANGKOK, MANILA, NEW DELHI, KARACHI, RANGOON,
BATAVIA, SAIGON, KUALA, LUMPUR)

Spore and Federation.

Political: Ceylon Commissioner for Malaya presented credentials High Comm Federation and Acty Governor Spore.

Comment: This new relation with young dominion may add inspiring factor for racial unity on which similar status Malaya contingent and serve Commonwealth cooperation this area.

Russian freighter Admiral Ushakov in harbor aside Chinese National freighter Hai Hsuan which hoisted Chinese Commie flag 25 Jan.

Comment: Is first time 2 Commie flag ships in port same time giving visual picture to local populations course events are taking.

Soviet recognition Ho Chi Minh regime despite relations with France was headlined.

Comment: Hom-Stalin following Ho-Mao tie up consolidated Commie lead initiative in cold war Southeast Asia.

Chief Secy Federation warned certain dailies violation regulations by printing Radio Peking comment in support MCP, in citing violence, disobedience law in Malaya. Says ready withdraw

(over)

51072

PRIORITY

~~SECRET~~

Consult Crypto-Center before declassifying.

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 17 a (1) (2), and 41 c (2)(3), AR 380-5, 15 November 1949.

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 51i and 60a, AR 380-5.

490E

~~SECRET~~

PRIORITY

FROM : DA WASH DC NR : 032050 Z DTD 4 FEB 50 CONT'D

licences if necessary.

Comment: Expect violations encouraged by British recognition Chinese Commies will increase on arrival their consuls unless strong action taken.

Film censor told press 2 Chinese Commie newsreels of entry Commie troops Canton and border town Hong Kong will be shown Spore followed by others subject usual treatment censor.

Comment: Rounds out Commie radio press in road.

Economic: Price rubber now at 51 and fraction cents straits per pound, highest figure since 1928. Statistical position considered excellent.

Military: Major Genl Sir Charles Boucher, Gov Malaya District, presently in Spore hospital, to be invalided home to Britain re newspaper report considered reliable.

Naval: Russian freighter Admiral Ushakov arrived Spore 1 Feb from Odessa en route Petropavlovsk ETD Spore 3 Feb. Deck cargo of 14 landing craft similar in appearance to American LCPL type. Described by ships officers as fishing boats. Photos and details being obtained.

NO SIG

ACTION : G-2

INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, G-1, G-3, G-4, AG, DIPLOMATIC, JSPOG



51072

PRIORITY

TOO : 032050 Z
MCN : 56679

~~SECRET~~

-2-

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

INCOMING MESSAGE

Cinc

[Signature]
ROUTINE

WG/jrb

4 Feb 50

FROM : USMILAT SEOUL, KOREA

TO : DA WASH DC

INFO : CINCPAC TOKYO JAPAN, COMNAVFE TOKYO JAPAN, CG FEAFF
TOKYO JAPAN, CG USARPAC FT SHAFTER TH, CINCPACFLT
OAHU TH, COMDR 7TH TASK F/T (AT SEA)

NR : 030900 Z (TO DEPT OF ARMY FOR INTELL DIV USA) (JOINT
WEEKLY NR 5 FROM SAN PERIOD 27 JAN TO 03 FEB)

Army.

1. Nine parallel incidents rptd during period. All minor except:

A. 271900-290800 approx 200 NK engaged elements KA at Buryong San and Kyongun San (1080-1697). Friendly losses: KIA 4, WIA 6. Enemy losses: KIA 1, M-1 rifles 1, Model 99 rifles 9, Model 38 rifles 1, M16 4.

B. 271905 approx 2 squads in Mingun attacked elements KA at Unpasan (853-1698). Friendly losses: Negative. Enemy losses: KIA 12, M-1 rifles 1, carbines 1, PPSH ammo 6 rds.

2. Casualties rptd during period from border incidents: KA KIA 5, WIA 8, police WIA 3, enemy KIA 35, WIA 7.

3. 20 Army and police opns against guerrillas rptd. All minor except:

A. 290800 elements 20th Regt engaged unknown number of guerrillas at hill 4395 (983-1311). Friendly losses: Negative. Guerrilla losses: KIA 15, POW 7, M-1 rifles 2, carbines 3, Model 99 rifles 2.

4. 26 minor guerrilla attacks on villages and police (over)

50886

ROUTINE

DECLASSIFIED PER JCS LTR OF
20 AUG 75

Consult Crypto-Center before declassifying.
Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 17 a (1) (2), and 41 c (2) (3), AR 380-5, 15 Nov 49.

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 51i and 60a, AR 380-5.



SEOUL



3068

~~Secret~~
ROUTINE

FROM : USMIA, AT SEOUL, KOREA NR : 030900 Z 4 FEB 50 CONT'D

boxes rptd.

5. Casualties arising from incidents rptd during period: KA KIA 4, WIA 2, police KIA 3, civilians KIA 11, WIA 11, guerrillas KIA 41, POW 37.

6. Arms captured from guerrillas in incidents rptd during period. M-1 rifles 12, carbines 8, Jap rifles 15, grenades 6, HMG 4.

7. NK armed forces deserters:

A. One Pfc, 3d Bo An Dae Brigade.

8. Due to decrease guerrilla activities Chiri San Task Force inactivated placing Chiri San area under control 5th Div. Indication remnant Chiri San guerrilla troops largely moved west into Cholla Namdo and north to Taebaek San area.

Comment: Undoubtedly due to KA pressure and successes in Chiri San together with severe weather in mountains.

9. Under aggressive leadership of Mag Gen Choi Byung Duk, Office Materiel Mobilization Board (Arsenal Program) rapidly moving towards positive results. During past month, short and long range programs have been formulated, surveys of locally available industrial equipment have been initiated priorities established to control production and definite production target announced for Jap 99 ammo. Current monthly target 200,000 rds which probably can be met.

10. Natl police combat bns orgn as previously rptd are now in process assembling and activation. As trained personnel and equipment already available anticipated these 22 bns should be fully operational immediate future thus relieving sizeable nbr of Army trps units for further tng.

Navy.

Current ROK Navy.

1. Strength unchanged from last weeks rpt.

2. ROK Navy installing 57 mm guns on one LST and one FS, both recently acquired from Min of Trans. LST installation complete; completion FS installation expected within two weeks.

Comment: Believed ROK Navy will continue to seek heavier armament for all vessels, particularly YMS, since dissatisfaction

50886

ROUTINE

~~Secret~~
-2-

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



INCOMING MESSAGE

ROUTINE
ROUTINE

FROM : USMILAF SEOUL, KOREA NR : 030900 Z 4 FEB 50 CONT'D

effectiveness present armament evident at all levels.

3. Min of Defense and Actg CNO diverted current mid-shipman cruise of FS mentioned above to visit Cheju Do for rptd inspection trip.

Comment: Believed underlying purpose this trip is on-site survey by Def Min (formerly an accomplished Merchant Mariner) of rptd locations of controversial seizure Jap fishing boats.

Current North Korea.

1. KNAG G-2 rpts 3 ROK Navy vessels which defected to NK (2 YMS, 1 JMF.) held in Wonsan.

Comment: JMF, which defected 5 May 48 and YMS which defected 7 Jun 48 rptd in Wonsan last winter. Since no rpts of sightings elsewhere, G-2 rpt considered probable.

South Korea political.

1. KN seized 3 more Jap fishing boats allegedly on Korean side "MacArthur Line" 26 Jan although Korean reply SCAP protests 14 Dec and 20 Jan still in preparation. Morning 27 Jan Embassy recd word from Tokyo that SCAP sending US DD and tug gen area seizures under order take any Korean Naval vessel interfering Jap boats on high seas to Sasebo for disposition. Rptdly US DD due sta night 27-28 Jan. Embassy vigorously exercised good offices ROK. At noon 27 Jan presidential order to Def Min cease seizures radioed Korean Navy by Def Min. Pres privately informed embassy would return Jap boats as soon as SCAP ended show of force. Pres, Def Min angered at USN demonstration. Pres cabled KORAMB Tokyo 27 Jan express to SCAP willingness return boats, regrets delay reply protests, order cease seizure issued. ROK note replying previous SCAP protests dispatched 28 Jan, already partially superseded by events and telegram of 27 Jan. Note agreed return Jap boats, but coupled to request return Korean fishing boats allegedly held Jap ports; notified issuance cease seizure orders; expressed desire avoidance Korean-Jap friction; requested SCAP punish previous violators "MacArthur Line" and keep Jap east that line; stated intention future notify SCAP Jap violations

(over)

50886

ROUTINE
ROUTINE

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 51f and 60a, AR 380-5. Handle as correspondence of classification carried hereon per paragraphs 17 a (1) (2), and 41 c (2) (3), AR 380-5, 15 Nov 49.



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ROUTINE

FROM : USMILPORT SEOUL, KOREA NR : 030900 Z 4 FEB 50 CONT'D

but not seize except extraordinary circumstances. SCAP demanding further action ROK including return Jap boats without *quid pro quo*, while ROK maintaining position no return until show force ended. Emb uninformed current status SCAP negotiations ROK Mission Tokyo.

2. UNCOK 01 named Gulek, Turkey, permanent Chairman; Jamieson Australia, Rapporteur. All delegations represented except El Salvador.

Comment: Rotating Chairmanship of previous two UN Commission discarded because frequent changes hampered efficiency and assisted growth dominant power by principal secretary actually UNCOK-servant. Guleks rank and public record made selection logical.

Domestic.

1. Increasing Natl Assembly opposition to adm culminated in introduction 27 Jan much discussed proposal amend constitution provide responsible cabinet system. Proposed amendments also included prolongation assemblyman's terms maximum of one year in case "unforeseeable circumstances." 79 members, 46 of them DNP, openly listed as in support of amendments. Simultaneously, Yun Chi Yungs great Korea Natl Party registered with 52 members, chiefly defecting Shin-Chung-Hoe and LFP members. GKNP, now second in assembly to DNP (69 members), pro-adm but policy otherwise not announced. Newspaper Yunhap 02 rptd 9 more LFPs and 10 Ilmins about to join GKNP.

Comment: Responsible cabinet system amendments most formidable anti-Rhee move yet made by opposition grps, and GKNP may have formed for adm resistance to constitution change. 146 affirmative votes needed for amendments; some of 79 announced supporters known to have pvt doubts, wanting to force accountability on Pres and cabinet but not at expense constitutional change. Alternative open or if will play into Communists hands.

2. Amendments to land reform law upping price to landlords from 150 percent annual production of farmland to 240 percent defeated by 85-10 vote 31 Jan; price to tenants upped from 125 percent to 150 percent 2 Feb.

Comment: Defeat of 240 proposal saves land reform principle as originally conceived; upping tenant price 25 percent elim-

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ROUTINE

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-4-



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

INCOMING MESSAGE



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ROUTINE

FROM : USMIT.PORT SEOUT, KOREA NR: 030900 Z 4 FEB 50 CONT'D

inates govt subsidy possibly desirable but impractical in view current Korean financial situation. Amendment eliminating ban on resale of redistributed land still to be voted on.

3. Continuing reaction to US Congressional action on ECA took form stage-managed protest meeting by Korean federation labor unions in Seoul 27 Jan and assembly resolution to send 3 members to US Congress. Assemblymen visit US before ECA bill passed postponed.

South Korea economic.

1. Korean American economic stabilization committee and some of 13 sub-committees held initial meetings to determine measures necessary combat inflation and achieve economic stability.

Comment: serious fiscal conditions compelled decision provide group capable of making sound recommendations for economic recovery. Hope that effort be successful tempered by apprehension pres may be reluctant fully follow advice owing political considerations.

2. Rice contd major official and pvt problem although price dropped to 1750 won per 16.5 pds 31 Jan.

Comment: Increased govt unloading which reached peak 4000 suk 29 Jan reduced price. Experts fear if govt unloading stopped price may rebound to exceed previous peak with serious political and economic consequences.

3. ROK submitted SCAP rice counter offer \$140 gross ton. SCAP reply not yet recd.

Comment: Pres determination obtain price concession from SCAP is primary cause delay in concluding agreement. Recent SCAP-Thailand barter deal involving Siam rice may provide SCAP more favorable bargaining position. SCAP has requested rice samples to verify quality and unofficially reptd reviewing price.

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ROUTINE

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[Signature]
ROUTINE

FROM : USMT. PORT SEOUL KOREA NR : 030900 Z 4 FEB 50 CONT'D

ROK fears adverse effect public opinion announcement sale rice to Japan during domestic rice crisis.

4. Chennaults representatives trying obtain pres agreement for CAT opn domestic and international air services.

Comment: CAT success unlikely. Pres and other ROK officials consider undesirable foreign air company in Korea which would provoke Natl assembly opposition and compete with Korean owned services. Chennault may return here soon.

5. Mission advised by Korean Natl Airways that pres approved govt guaranteed loan \$213,000 for purchase 2 DC 3 and spare parts, Air carrier service Corp.

Comment: Mission disapproved foreign exchange for this purchase.

North Korea Political:

1. Pyongyang radio still not mentioning current Sino-Soviet negotiations in Moscow.

Comment: Clearly a very delicate subject.

2. All NK propaganda and agitation organs now engaged in campaign to indoctrinate all elements of population along lines of 9 Jan "Letter of Appeal of Demo Front for Attainment of Unification of Fatherland."

Comment: Appeal directed at subversion and incitement guerrilla activity south of parallel.

3. NK propaganda last week devoted considerable emphasis "American Imperialism" is forcing ROK into servile relationship with Japan in order aid Jap military resurgence. Propaganda also claims Korean minority in Japan being maltreated because opposes Jap remilitarization and fascism.

Comment: Little doubt campaign reflects Soviet apprehensions re future Jap position in Pacific.

North Korea Economic:

1. Pyongyang radio carried speech "Premier" Kim Il Sung criticizing NK agriculture, forestry, fisheries; Agriculture; Food laws and regulations not observed resulting loss food production; leasers of land lacksense responsibility as public servants, care poorly for state property (farmland and farming implements); irrigation projects poorly planned and evaluated; agricultural statistics faulty, surpluses shown as shortages. Kims recommendations: NK agriculture to use more Soviet techniques; planned production, motor-tractor stations, state farms. Further

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ROUTINE

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



~~INCOMING MESSAGE~~

ROUTINE

FROM : USMI PORT SEOUL, KOREA NR : 030900 Z 4 FEB 50 CONT'D

criticisms: Fisheries not meeting quotas and permitting fishing equipment to deteriorate. Forestry neglected and lumber production low.

Comment: Speech indication NK agriculture, fisheries, forestry lagging behind planned goals. Possible interpretation: Preliminary to introduction Soviet patterns, including collective farming.

2. Pyongyang radio announced 3 year NK-Communist China postal, telegraph, telephone agreement effective 1 Feb. Exchange started that date. Agreement not yet ratified.

Comment: Agreement outside international Postal Union.

MUCCIO

INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, G-1, G-2, G-3, G-4, AG, DIPLOMATIC, JSPOG.

NOTE : This msg passed by AG Rad & Cable Center via Courier to COMNAVPE TOKYO JAPAN for info. (8 Feb 50)

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ROUTINE

TOO : 030900 Z
MCN : 56664

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

C/C

INCOMING MESSAGE

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~~Secret~~
PRIORITY

PTS/hco

B

4 Feb 50

FROM : CG 13TH AF CAFB LUZON PI

TO : CINCPAC (G-2) TOKYO JAPAN

INFO : CG FEAFF (DEPUTY FOR INTEL) TOKYO JAPAN, CG 5TH AF
(DEPUTY FOR INTEL) NAGOYA JAPAN

NR : C 4657 D/I

DECLASSIFIED PER JCS LTR OF
20 AUG. 75



Weeks as follows:
Political:

A. Cabinet approved Budget Commissioner PIO Jovens report on 107,144,253 pesos loss incurred by PI Govt surplus property transactions and forwarded report to President Elpidio Quirino. Joven stated loss due to:

1. Pilferage by Americans and Filipinos from surplus depts "Before, during and after transfer stocks to PI Govt."
2. Depreciation as result of exposure.
3. Undetermined value stock due to absence inventories.
4. "Isolated cases" sales irregularities.

Joven stated 2,000,000 pesos figure on vendors shipping documents (VSD) taken as total amount surplus materials transferred PI Govt. "It is also certain that not all goods represented by VSD were received by PI Govt". Total procurement cost surplus property transferred to PI is 2,230,780,126 pesos which includes roads, airports and invisible items such as grading or filling lands on which bases were established. Stated surplus property was accepted at agreed fair value of 200,000,000 pesos. Eval D-2.

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PRIORITY

FROM : CG 13TH AF NR : C 4657 D/I 4 FEB 50 CONF'D

Govt generally moving towards increased taxation affecting all present sources govt income and possibly imposing school tax. Eval D-3.

House Representatives deadlocked on choosing speaker Pro Tempore. Candidates are Tarlac Liberal Jose J Roy, Leyte Liberal Domingo Velose, Canix Liberal Cornelio T Villareal and Clocos Puc Liberal Floro Crisologo. Discussion house rules commenced 2 Feb. House organization possibly completed next week. Eval D-2.

Quirino instructed cabinet to rush preparation 51 Budget. Deadline for submission Congress 7 Feb 50. Education, Foreign Affairs, Public Works and Interior Depart expected suffer slashes. Rumored depart Education to sustain 40,000,000 pesos cut. Eval D-3.

Foreign Office announced 27 Jan creation div for svc admin with Librado D Cayco Acting Chief. Mission closer coordination between home office and Diplomatic Consular Establishments aboard. Eval D-2.

Reorganization Bureau Civil Service reportedly under cabinet consideration. Expected to be generally along American system. Eval D-2.

Senator Lorenzo Tanbadas resolution demanding Senate invest govt finances shelved by Senate Fin Committee. Eval D-2.

High level policy makers Philippines reportedly feel US should aid Formosa to prevent capitulation and forestall threat to PI. More general public opinion is hands off policy international affairs particularly Chinese Nationalist and Red China matters with view to avoiding involvement major war Far East. Rumors persist PI Evacuation Center to be set up by PI Govt for Chinese Nationalist personnel in event of capitulation to Communists. Eval B-3. (Comment source newspaper man in contact with fairly reasonable cross section PI public) PI Govt officials allegedly more concerned internal security in view presence approximately 500,000 Chinese. Officials believe US will protect PI externally if PI can oust Communists. Eval B-3.

Indonesia Consulate Manila formally obtained Embassy status. Consul Gen Charles Tambu presented credentials Foreign Under Sec Felino Neri. Eval D-3.

Philippine citizen Ernest Simke nominated Honorary Consul by Israeli Foreign Office. Believed prelude negotiations with Israeli Govt on barter trade agreements. Eval B-2.

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PRIORITY
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-2-

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



INCOMING MESSAGE

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PRIORITY

FROM : CG 13TH AF NR : C 4657 D/I 4 FEB 50 CONF'D

Economic: A Dalupan Committee depart Fin tentatively agreed 3 point program to increase tax collections 100,000,000 pesos annually. Targets are:

1. Large corporate and personal profits,
2. Idle capital on deposit,
3. Large real estate holdings.

Will recommend exception business profits not exceeding 10% of investment. New businesses to be exempt first 2 years from levy on current accounts and deposited money. Eval D-2.

Tarlac Liberal Representative Jose J Roy filed bill 28 Jan 50 asking drastic tax increases imported luxuries and semi luxury goods. Roy stated measure designed to complement and re-inforce import control system. Eval B-2.

Chairman Import Control Board Cornelio Esymaceda eased restrictions to allow private import 14,000 MT Japanese cement. No dollar exchange to be involved. Eval D-2. (Comment govt owned corp Cebu Portland Cement Company enjoyed monopoly local market and was only concern allowed import cement. Due cement shortage and high prices setup has been target for much criticism Palis Pier Nbr 9 Manila South Harbor turned over formally to PI 1 Feb 50. Large capacity of pier expected to aid docking conditions. Eval D-2.

Cabinet decided terminate import control animalies investigation by Hilarion Beronilla. Rumors National Bureau Invest may continue probe. Eval D-3.

Vice Pres Fernando Lopez ordered stoppage sale 8 FS Ships to Chinese owned firm. Ships to be put up at auction but will not be sold for less than 160,000 pesos. Eval D-2. (Ref WAKA 27 Jan 50) Rumored Chinese Aliens Baguio Area purchasing dollars at black market rate 2 pesos 80 centavos to 3 pesos 25 centavos from American Seamen on leave. Also rumored growing scarcity silver coins and black market starting. Believed aliens buying money for remittance to home country. Eval D-3.

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FROM : CG 13TH AF NR : C 4657 D/I 4 FEB 50 CONT'D

Rumors recurring on peso devaluation "if PI Govt cannot get sufficient loan from US to stabilize finances". official sources immed denied them. Eval D-3.

B. Depart Public Works and Communications submitting to cabinet proposed changes PI 1946 Rehabilitation Act of US Congress. Most important recommendation involves extension 30 June 50 deadline for completion all projects to 30 June 1955. Unless deadline extended remaining balance \$120,000,000 allotment for reconstruction public buildings, roads and bridges would revert US Treasury. Eval D-3.

Rumored high level re-examination trade relations PI-US possible near future. Eval D-3.

Pressure may be exerted by Red China Govt on local Chinese to increase remittances to China and such tactics expected lead to pressure on PI Govt by local Chinese for relaxation exchange control bill to permit these remittances. Eval B-3. (Comment in past Chinese overseas remittances played major role in off setting China foreign trade deficit. Definite downhill trend at present due to exchange controls imposed by straits settlement Dutch East Indies and PI Pamen Foreign Under Sec Felino Neri stated negotiations bilateral PI-Japan Trade Pact to be initiated shortly. Eval D-3.

C. Sec Labor Primitivo Lovinas repeated statements concerning deleterious effect import control bill upon employment situation brought criticism by Senator Tomas Confesor. Confesor stated Lavina should resign from admin if unwilling to support policies. Lovina stated not opposed policies but merely pointing to adverse effect as now administered. Stated import control has:

1. Caused layoffs with possibility increasing future layoffs,
2. Reduced wages,
3. Resulted in higher commodity prices.

Lovina further stated these layoffs came at time when unemployment situation extremely critical and fresh reductions may cause serious economic repercussions. Eval B-2.

Labor groups Federacion Obrera De Filipinas (FOF) and Farmer Labor Auxillary Service (FLAS) indorsed Lovina stand and FLAS approved resolution for 1 hour general walk out all industrial and commercial establishments next month as expression confidence Lovina. FOF President Jose M Nava stated attempt to stop Secy Lovina will result national strike by FOF and other labor groups. Eval D-2. (Comment: FLAS has apprx membership 51176

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-4-

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

INCOMING MESSAGE

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PRIORITY

FROM : CG 13TH AF NR : C 4657 D/I 4 FEB 50 CONT'D

1,000,000; FOF aprx 350,000.)

Military:

A. Phil Intelligence Agencies held top level conference with Bureau Immigration and Dept Foreign Affairs on:

1. Ultimate disposition temporary visitors overstaying visas, particularly Chinese,
2. Continued influx Chinese temporary visitors,
3. Lack of coordination between Intelligence Agencies Phil Govt, Bureau Immigration AGD Dept Foreign Affairs,
4. Misunderstanding and competition between Phil Intelligence Agencies.

Decisions reached:

1. Temporary visitors in Phillipines to remain until settled conditions in China,
2. Further entry temporary visitors quota immigrants stopped pending inclusion in yearly quota all temporary visitors presently in Phillipines,
3. Misunderstandings AGD duplication to be eliminated by coordinating all intelligence activity through National Intelligence Coordinating Agency. Eval B-3.

Army asked appropriations ext FY 79,000,000 pesos to increase strength from 17,000 to 25,000. Current appropriation 56,462,000 pesos. Constabulary asked 45,000,000 pesos to increase from 12,000 to 20,000. Curr appropriation 33,000,000 pesos. Eval D-3.

Senator Justiniano Montano stated Senate majority bloc and demand Army and Constabulary restore peace and order completely in 6 months with present forces and facilities. If this objection not attained, bloc to fight for removal top officials. Army and Constabulary have promised to gain objective on 1 year provided increased appropriations req approved by Congress. Army estimated 7,000 armed Huks: PC estimated 3,000. Eval D-3.

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FROM : CG 13TH AF NR : C 4657 D/I 4 FEB 50 CONT'D

(Comment: Montano understood returning to Secy Interior Setero Baluyut, Secy Defense Ruperto Kangelom, Armed Forces Philippines Chief of Staff Major General Mariano Castanada and PC Chief Brig General Alberto Ramos as men to ousted if result not attained.) Ramos to be asked to appear before Senate Committee to answer Montano charges. Ramos may refuse on grounds responsible to President only. Eval D-2.

Rumored Senate to turn down proposal unification Armed Forces on grounds centralized military power in hands of 1 man or 1 group might lead to military coup. Eval D-3. (Ref WSEKA 13 Jan 50). PC Hq ordered suspension enlistment recruits 2 Feb 50. Reportedly result breach Senate Army and Navy Committee and Army, Constabulary and National Defense Dept Officials. Eval D-3.

B. Sig Intelligence Service (SIS) Hq National Defense Forces Philippines in coordination operations group Intelligence Division, Assistant Chief of Staff G-2 Phil Army operating radio monitoring stations at;

1. Barrio Talisbam, Calocan, Rizal Province, (aprx 14 degrees 39 minutes north-121 degrees 00 minutes East-SIS Hq),
2. Nichols Field, Rizal Province (Manila International Airport),
3. Base Airfield, Florida Blanca, Pampanga Province (14 degrees 33.0 minutes east)
4. Phil Ground Forces School, Ft McKinley, Luzon.

Former head SIS Major Zamora (FNU) allegedly relieved by unknown officer. Eval B-3.

C. Phil Ground Force School operating 22 week Infantry Courses 24 Jan 50 at Fort McKinley, Rizal, with 2 classes. Regular field officers comprise class taking Infantry Advanced Course. Other class reserve officers all arms and branches taking Infantry Basic Course. Eval D-3.

Air:

C. 0345 hrs, 2 Feb 50, 1 F-80 acft this comd crashed Subic Bay aprx 2 miles north Grande Island (14 degrees 48 minutes north-120 degrees 13 minutes east). Acft airborne from Clark 45 minutes. US Naval Ship arrived within 6 minutes and picked up small parts of acft and personal effects. Pilot has not been found. Cause undetermined. Eval A-1.

Miscellaneous:

B. Present Huk strategy attract attn PC troops by establishing contact then withdrawl and disperse in small groups while other dissidents operate in areas vacated by Govt troops. Dissidents actively operating provinces Cavite, Laguna, Aduzon Batangas. Conditions these provinces deterioration because

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



INCOMING MESSAGE

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FROM: CG 13TH AF NR: C 4657 D/I 4 FEB 50 CONT'D

organized political dissidents have joined with Huks. Dissidents reported for provinces:

1. 300 men under Commander "William", 21 Jan 50, Maragondon, Cavite.
2. 200 Huks, at Aliang, Neral Trias, Cavite, 21 Jan 50.
3. 100 Huks under "Malabanans" Anyo, Talisay, Batangas, 21 Jan 50.
4. Remnants of 200 Huks under Gen "Jlupay" were engaged southwestern slopes of Sierra Madre Nnar Gavinti, Laguna.

Capabilities estimated by PAF as food foraging and continuation propaganda campaign. Huks expected to continue to coordinate activities with Communists and attempt infiltrate labor unions. Eval B-2.

"Operation Border" closed 1 Feb 50. No Huk Govt encounters. No known casualties although considerable amount artillery ammunition expended. Eval B-2. (Comment: Source called operation "dry run". (Huk int alleged Lt Enarle dissidents avoid contact with Govt forces in "operation border". Eval D-3.

Next operation Baatan Peninsula during period 6 Feb to 10 Feb 50. Field order not yet made up. Eval B-2.

Huk conference 12 Jan 50 at Mt Lumot San Miguel Bulacan (15 degrees 4 minutes north-121 degrees 6.3 minutes east) considered fol items:

1. Launching joint Huk-Communist attack to coordinate with Red China invasion Formosa.
2. Organization Chinese squadrons under comd Brig General Guillermo Capadocia in Capayan Valley Luzon (17 degrees 30.0 minutes north-121 degrees 45.0 minutes east.)
3. Organization Chinese and Huk labor sq under supervision Major General Mariano P Balgos in Southern Luzon.
4. Preparation for Red China invasion Philippines.

Eval B-2.

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PRIORITY

FROM : CG 13TH AF -- NR : C 4657 D/I -- 4 FEB 50 -- CONT'D --

(Comment: Long prominent in Communist Labor circles, Balgos and Capadocia openly joined Huks recently. (OGID, HNDP state fol items shipped by barge to Verde Island (13 degrees 30.3 minutes north-121 degrees 4.5 minutes east): 20 boxes Thompson sub machine guns; 20 boxes grease guns; 10 boxes ammunition caliber unknown. Consigned to Uy Ting Bixg (Uy Ting Beng). Uy formerly convicted arms smuggling from surplus depots Batangas but released due to pressure by late President Manuel Roxas and "Colonel" Agustin Marking (alias Marcos Villa Agustin) Chief Confidential Agents, Office President Philippines. Uy reportedly convincing with marking in smuggling opium and morphine sulphate from China, Okinawa, Guam and Marianas and in facilitating illegal entry Chinese aliens. Eval B-2.

Ship "Emyrol" alias Emerald renamed "La Suerte" reportedly purchased by American Jack Kem from Siamese owner for Chinese Benjamin Lu. "La Suerte" underwent alterations Manila shipyard and dry dock at Napotes Rizal. Vessel has secret compartments and is faster than any Phil Naval Patrol vessel. Lu listed as assistant ~~Comdr~~. Vessel allegedly to be used in nefarious activities in Marshall Islands. Eval C-3.

Operators Manila Shipyard and Dry Dock, George and Joseph Feldman reportedly conniving with rich Chinese business men, one reportedly Allino (?) Sycip, in purchasing LCM barges from surplus commission, repairing and shipping to China. 40 such vessels already purchased, "many" delivered, remainder under repair. Feldman brothers currently operating fishing boat of PT type and transporting Russian middle aged male, name unknown, to Catpalogan, Samar Island, where he contracts people in Guinan refugee camp before return. Eval B-1.

500,000 Chinese currently in Philippines. Aprx 320,000 believed here irregularly. Armed forces plan to seize illegal aliens in vicinity mil posts and deport them to Formosa. Eval B-3.

Illegal entrants from North Borneo reportedly entering Philippines through Basilan Island, Zamboanga Province and Jolo Island. Eval B-2.

Manila Police Dept Int Section estimates 70 percent Chinese in Philippines either Communist or sympathetic towards Communists. Also estimate more than 100 Chinese enter Philippines illegally each month. Eval C-3.

Hong Kong Society (alias Association Chinese Free Masons) active propagation Communism among local Chinese Nationalists. Organized 5 "Tongs" for campaign in Manila;

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

INCOMING MESSAGE



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PRIORITY

FROM : CG 13th AF NR : C 4657 D/I 4 FEB 50 CONT'D

- (1) Chin Po Tong,
- (2) Ti Kong Tong,
- (3) Peng Kong Sia,
- (4) Tick Lim Hiap Gui Thian,
- (5) Hiap Ho Kim Giap Sia.

Eval B-3.

Manila firm "Import Distributors" allegedly representative Soviet purchasing Agency Shanghai China. Eval C-3.

Rumored Lucio Pilapil possibly implicated in attempt ambush armed forces PI Chief of Staff Maj Gen Mariano Castaneda. Pilapil active member PI Communist party (PKP). Eval C-6.

NO SIG

ACTION : G-2

INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, G-1, G-3, G-4,
AG, DIPLOMATIC, JSPOG

NOTE: Corrected copy received AG-OR 051250 I.

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PRIORITY

TOO : 030815 Z
MCN : 56671

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

INCOMING MESSAGE

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ROUTINE

PTS/ewj



4 Feb 50

FROM : DA WASH DC

TO : CINCFE TOKYO JAPAN

DECLASSIFIED PER DA CIRC. #127
23 DEC. 53

NR : 031701 Z (RELAYS MSG DTG 030330 Z FROM USMA WELLINGTON,
NBR 7 JOINT WEEKA 5 FROM SA SGD SCOTTEN TO CINCFE)

"Political: Note of increasing urgency in comment on Indo-China heightened by External Affairs Ministers grave references to effect on New Zealand should Indo-China followed by Siam, Burma, Malaya, Indonesia fall into Communist hands. New Zealand Herald recommends immediate US recognition Bao Dai to strengthen weak spot. Implementation military aid provisions Atlantic Pact widely welcomed. New Zealand Herald especially appreciative 'US generosity to friend.' British release from non transfer clause approved, only doubts expressed concern desirability rearming Western Germany. Dominion (Wellington) wishes Ambassador Scotten successful Bangkok Conference, hopes for emergence well defined Far Eastern Plan in place hitherto uncorrelated American Policy this area. Dunedin Evening Star declares Alger Hiss 'becomes stalking horse for New Deal' his trial another episode republican 'trial' of Roosevelt. Prime Minister cabled India best wishes, emphasizing membership Commonwealth avoiding word republic. Federation of Labor threatens expulsion Waterside Workers Union effective 1 Feb unless union apologizes insults to Federation Executive and cancels recent affiliation Maritime Section WFTU. Union ignores

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51024

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Handling and transmission of literal plain text of this message as correspondence of the same classification has been authorized by the War Department in accordance with the provisions of paragraphs 16 G, 18 E, 56-A, 53-D (1) (2) (3), and 60-A (1) (2) (3) (4), AR 380-5, 6 March 1946. COPY No. 16-50537-7 640 0-75539

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ROUTINE

FROM : DA WASH DC NR : 031701 Z DTD 4 FEB 50 CONT'D

threat. Other unions taking sides may split whole labor movement. Question to be thrashed out Federations annual conference in March.

"Economic: Prime Minister Spriss statement on country's finances says position serious but not unduly alarming, citing previous governments commitments to expend in excess taxation and loan income. Stated large public works program particularly power stations must, in general, be completed by stressing essential jobs in progress, postponing less urgent ones, economizing capital expenditure, stimulating capital creation and perhaps by overseas borrowing. Stated New Zealand living internally and externally far beyond income, meeting internal deficiency by disastrous method creating reserve bank credit and currency without off-setting increase production goods services. Estimates current budget year expenditure 200.6 million pounds with 28.79 million pounds deficiency in receipts for balance by issuance reserve bank credit 26 million pounds and utilization from social security reserves 2.79 million pounds. States deficit 1949 balance international payments 4.55 million pounds predicts 10 to 15 million pounds 1950 deficit basis import licenses already issued. States government competent determined rectify situation and reiterating promise maintain level wages social security benefits. January customs duty collections 1,543,857 pounds compared 1,095,388 pounds January 1949. Commercial bank deposits reached record high 201,341,858 pounds end December advances 80,027,055 pounds approximately 4 million pound below November. Net overseas assets December 15, 319,968 pounds.

"Military: Army strength 31 December Regular Force 383 officers, 2,490 other ranks Territorial Forces, 643 officers 214 other ranks. Government reverses previous decision provide remedial medical treatment unfit for compulsory training. 'Pujheems' method classification being used for physicals. According Defense Secretariat of Prime Ministers Office no plan in existence civil defense New Zealand since end war. Stated due isolation country and almost negligible scale attack any potential enemy could direct at country in immediate future. But skeleton plans expected early date. Leading veterans paper states 'National Vigilance Committee' including several ex service chiefs formed London this year due alarm decline British worlds status resulting from US subordination British military plans to overall American strategy. Apparently as party of new government economy drive Linton Camp not to be rebuilt saving 350,000 pounds. Existing training facilities to be used under compulsory scheme."

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ROUTINE

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



INCOMING MESSAGE

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ROUTINE

FROM : DA WASH DC NR : 031701 Z DTD 4 FEB 50 CONT'D

ACTION : G-2

INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, G-1, G-3,
G-4, AG, DIPLOMATIC, JSPOG

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ROUTINE

TOO : 031701 Z
MCN : 56675

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classification carried hereon per paragraphs 17 a (1)
(2), and 41 c (2)(3), AR 380-5, 15 November 1949.

Handling and transmission of literal plain text of this message as correspondence of the same classification has been authorized by the War Department in accordance with the provisions of paragraphs 16-C, 18-E, 53-A, 53-D (1) (2) (3), and 60-A (1) (2) (3) (4), AR 380-5, 6 March 1946.

COPY No.

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

INCOMING MESSAGE

~~Confidential~~
ROUTINE

ELT/ewj

3 Feb 50

FROM : USMILAT (SMA) MELBOURNE AUSTRALIA
TO : CSUSA WASH DC, CINCFE TOKYO JAPAN
NR : 030200 Z (JOINT SANA WEEKA NBR C-42)



DECLASSIFIED PER JCS LTR OF
20 AUG. 75

Political: Intense press interest in Truman declaration re Hydrogen Bomb. Australians incensed at claims expressed by Indonesian Mohammed Yamin to Australian New Guinea. Spender statement said such claim be rejected outright. Incident increases apprehension re Indonesian claims to Dutch New Guinea. Spender stated on return from Colombo that no recognition Chinese Communists for present.

Economic: Treasury said to be invest prospects of securing large dollar loan to finance purchase needed capital equipment; possible new approach to IMF, negotiation with Ex-Im Bank, US Govt or US private sources rept under consideration. Cabinet subcommittee studying international trade problems preparatory next Gatt Session. Govt has made agreement with International Harvester Co whereby payment for urgently needed heavy tractors be made in form shares in Aust subsidiary of co; govt hopes this will aid in solving dollar problem and serve as model further transactions.

Military: Army-Navy Minister announces plan activate CMF Inf Bn Papua-New Guinea area with 250 white members only. Designated Papua-New Guinea Voluntary Rifles with RA cadre and sub unit home stations at Port Moresby, Lae, Madang, Wewak, Bulolo, Wau and Rabaul.

50751

(over)
ROUTINE

~~Confidential~~
Consult Crypto-Center before declassifying.

Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 17 a (1) (2), and 43 c (2)(3), AR 380-5, 15 November 1949. Paraphrase not required. Handle as correspondence of classification carried hereon per paragraphs 51i and 60a, AR 380-5.

~~SSCC~~ ~~Confidential~~
ROUTINE

FROM : USMILAT MELBOURNE NR : 030200 Z DTD 3 FEB 50 CONT'D

Naval: Changes disposition operating forces RAN 3 through 9 Feb. CVL Sydney DD Bataan at Adelaide depart 8 arrive Hobart 10. PF Shoalhaven at Hong Kong. PF Culgoa depart 4 Jap waters en route Manus. AMS Latrobe local res tng cruises. Tug reserve Manus. Tarakan dead now 8.

Air: New air minister showing keen interest in RAAF. Present on whirlwind tour all RAAF sta. Govt sending delegation Manila next month to complete Australia-Philippines Air Agreement. First sch Colombo flight completed this week after recent air agreement signed with Ceylon.

NO SIG



ACTION : G-2

INFORMATION : COMMANDER IN CHIEF, CHIEF OF STAFF, G-1, G-3, G-4,
AG, DIPLOMATIC, JSPOG

50751

ROUTINE

TOO : 030200 Z
MCN : 56656

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-2-

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(3) (4), AR 380-5, 6 March 1946

GENERAL HEADQUARTERS
FAR EAST COMMAND

020907

OUTGOING MESSAGE

GB/T Int/LJF/bd
2 February 1950

B
SA

FROM: CINCFE TOKYO JAPAN
TO : DA WASH DC. ROUTINE
INFO: USMIL/T SEOUL KOREA ROUTINE
CG USARPAC HONOLULU HAWAII. ROUTINE

For CSGID. Pass to US/F for info.

CX 54727

Subj is Joint Army-Air Weeka 5.



JAPAN:

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20 AUG. 75

POLITICAL:

(a) Important Changes or Contemplated Changes in Govt: Representatives of various political parties interpellate on Premier Yoshida's adm policy address (CINCFE Weeka 4). Communist Diet member Nozaka Sanzo, still in good standing in Japan Communist Party despite Cominform criticism (CINCFE Weeka 2) insinuates that Yoshida Govt may be negotiating secret mil pact; Premier brushes aside suggestion as "impossible". Democratic Liberal Party adviser Hoshijima Jiro blasts Soviet Union for failure to compl repatriation, chides Japan Reds for failure to use influence to speed repatriation. Communist Kamiyama Shigeo warmly praises Soviet Union and Red China for alleged efforts to speed Japan peace treaty, denounces Yoshida for statement that he would favor return of Kuriles to Japan. Politbureau member Shiga Yoshio calls for nation-wide movement for peace treaty. Nakanishi Ko, Upper House member ousted fr Communist party, resigns Diet seat. Social Democratic Centrist faction asks right wing leader Katayama to assume blame for party split and resign. Local party chapters favor Social Democratic reunification.

ECONOMIC:

(a) Proposed or Actual Economic Changes: Curr issue totals 317,763,000,000 yen on 28 Jan 50. Rice deliveries 87 per cent compl 20 Jan 50. Unfavorable trade balance for 1949 \$354,574,668. Total imports \$865,518,025. Total exports \$510,943,357.

INFORMATION COPY
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C-12-C

~~SECRET~~

FR CINCFE TOKYO JAPAN TO DI W/SH DC GB/T Int/LJF/bd 2 Feb 50

REP/ TRI/ TION HIGHLIGHTS:

"Takasago Maru" to lift 2,500 more PWs fr Nahodka. Vessel will leave Maizuru 4 Feb, calling Nahodka 6 Feb, and returning to Maizuru on 8 or 9 Feb, depending on weather conds. Meanwhile, Soviet Member of Allied Council for Japan issued prior notice to Council chairman that Soviet member would not be present at Council on 1 Feb. Reason given is opposition to discussion of repatriation problem.

NORTH KOREA:

MIL:

(c) Trp Movements, Concentrations, Opr: About 10,000 Chinese Communist (Korean) railroad trps, formerly dispersed throughout northeast China, were collected at Harbin (4547-12639) and transferred to North Korea 20 Oct to 10 Nov 49. Trps entered Korea through Manpojin (4110-12618). About half went to Wonsan (3910-12726) and remainder to Hamhung (3954-12732), Kanggye (4058-12636), and Pyongyang.

Comment: Details of this rpt do not conform to previous info concerning ingress CCF trps, hence represent new data. If rpt factual, would mean number trps involved are in add to presently accepted figure of 16,000 (CINCFE Week 4).

Recent rpt stated former Chinese Communist Force (CCF) 164th Div at Nanam (4142-12941) and 166th Div at Pyongyang were engaged in tng in Dec 49.

Comment: Insufficient evidence to date to warrant acceptance of designations reported herein for the 16,000 CCF estimated in North Korea. However, due to billeting and tng facilities, and ease of adm, Pyongyang is logical location for stationing divisional size unit.

Two rpts concerning construction of barracks at Yonchon (3806-12704) for Peoples Army trps indicate that fr 15 to 22 such buildings were being built in early Jan 50. One rpt stated barracks due to be completed Nov 50.

Comment: Believed small number barracks, perhaps 15 to 20, being constructed near Yonchon (FEC Int Summary 2670).

PHILIPPINES:

POLITICAL:

(c) Reactions to Important Events: Regular session Philippine Congress convened 23 Jan. Commerce Secretary Cornelio Balmaceda stated



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FR CINCFE TOKYO JAPAN TO DA WASH DC GB/T Int/LJF/bd 2 Feb 50

adm seeking Congressional sanction for: (1) Presidential negotiation of reciprocal trade agreements independent of Congress; (2) creation commercial attache posts at various PI Legations; (3) control of export of "short supply" commodities and those essential to defense; (4) creation Bureau of Foreign Trade.

ECONOMIC:

(a) Proposed or Actual Economic Changes or Reforms: Central (Govt) Bank Director Miguel Cauderno stated import controls not reducing dollar output to desired level due to importers buying large quantities of presently uncontrolled goods in anticipation of possible later restrictions. Cauderno stated necessity for revision list of controlled items. Prices of consumer goods still rising. Long range local and foreign investors in PI productive industries asking for assurance that import controls will cont as sudden lifting would bankrupt them. Govt ofls reportedly stated controls would remain "for some time" but declined set date. Efforts of National Bureau of Investigation (NBI) to stop import control irregularities reportedly were sabotaged by Import Control Board order to release cargoes at piers, including goods marked for confiscation (CINCFE Weeka 4).

63 Chinese Nationalist orgns in PI recently signed manifesto to British Legation declaring boycott as result British recognition Red China. Chinese Embassy in PI denied any part in act. Boycott failed when Chinese merchants and Chinese Chamber Commerce refused join movement.

300 members PI Govt Workers Union denounced Philippines Communist Party (PKP) when Manila Mayor Manuel De La Fuente gave them alternative of losing jobs. Rumored Govt Workers Union planning gen strike in retaliation Fuente purge. Workers of Congress Labor Orgn (CLO) affiliates reportedly invited join gen strike in Mar 50 (CINCFE Weeka 4).

SUBVERSIVE:

Russian gold destined for Southeast Asia reportedly is being transported overland fr USSR to Bhutan, India, and thence to Burma. Distribution centers allegedly are Bangkok, Saigon, and Macao with Hong Kong actual trading center. Source states purpose gold smuggling to produce economic dislocation and furnish Communist agencies adequate funds. Chinese Communists in PI reportedly will smuggle gold and firearms in execution Russian plans. No evidence actual smuggling of gold to PI. Free market price gold Hong Kong only \$44 per oz compared with \$54 in Manila.

RYCOM:

POLITICAL:

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FR CINCFE TOKYO JAPAN TO DA WASH DC GB/T Int/LJF/bd 2 Feb 50

(c) Reaction to Important Event: Meeting at Naha, 29 Jan, of leaders People's Party, Democratic Alliance, and Popular Culture magazine (People's Party orgn) attended by aprx 1,500 Okinawans. Meeting resulted in criticism Okinawa police and Civil Adm with demands for "protection of fundamental human rights". Speakers were same who recently protested legality Naha and Ishikawa mayoralty elections (CINCFE Week 4). Native Superior Court scheduled decide issue of legality Naha election 11 Feb and Ishikawa election 13 Feb.

SUBVERSIVE:

Alleged Japan Communist Party member Miyara Chokyo recently arrived Okinawa and was employed by Okinawa Times. Miyara reportedly involved in smuggling activities and distribution Communist literature.

Yonaguni Island is reported rendezvous Japanese and Taiwanese ships engaged illegal traffic in goods and passengers between Japan, Taiwan and Okinawa. Rpt states vessels elude Chinese Nationalist patrols Taiwan coast. Yonaguni police alleged inadequate cope with situation.

AIR: (Reported by FE/F)

SUBVERSIVE:

Undisclosed number Japanese who claim recent repatriation fr Siberia have appeared Sado Shima (38-00N/138-28E), island off west coast of Japan, and expressed desire for employment by USAF at radar site at Mikawa (38-00N/138-25E). Alleged repatriates reportedly speak English quite well and are believed former Japanese Hawaiians.

On 17 Jan and on 22 Jan wire supplying power to landing strip markers Kadena Air Base (Okinawa) was cut and eight-inch segments removed, rendering lights inoperative. On 22 Jan wire into switch box of rotating airport beacon was pulled out, ends taped, and fuses removed fr box. Damage readily repaired. OSI investigating.

OFFICIAL:

APPROVED BY:

K. B. BUSH
Brigadier General, AGD
Adjutant General

WM R. GROVE JR
Colonel, GSC
Executive Officer



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THIS IS AN ORIGINAL MESSAGE

~~SECRET~~

FR CINCFE TOKYO JAPAN TO DA WASH DC GB/T Int/LJF/bd 2 Feb 50

MEMO FOR RECORD

Joint Army-Air Weeka No. 5 radio, covering political, economic, mil and air situation in Japan, Korea, Philippines and Japanese Mandated Islands, forwarded weekly to Dir of Int, WDGS in accordance with provisions of Chapter II, pars 23-29, MID, BID, 1 Sep 48.

LJF _____ 26-6021



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