MEMORANDUM

SUBJECT: The Korean Situation

I. MILITARY SITUATION.

The focal point of ground action in Korea has shifted south and east from the Seoul-Suwon area to the Suwon-Usan area. Although press dispatches from Tokyo state that Suwon has fallen to northern Korean forces, official reports indicated that the town was still in Southern hands at 0300 4 July, Washington time. Two northern columns, including tanks and artillery, are moving south and east of Seoul in enveloping movements that threaten not only Suwon but the entire area from Suwon south to Taejon.

The immediate objective of one Northern Korean column appears to be the town of Usan eight miles southeast of Suwon, and early contact with US ground forces moving toward this area is expected. Approximately two Southern Korean regiments remain in the Inchon-Suwon-Usan area. A second Northern column is approaching Wonju 70 miles to the east of Suwon; and troops of undetermined number are in a flanking position along the advance of this column. Undetermined numbers of Northern troops have been reported on the east coast about 40 miles north of Pohang.

Yesterday's air operations were restricted by poor weather which is expected to continue today. Two Northern planes were reported to have attacked an Australian naval unit off the east coast of Korea.

SEC. 25 estimates that the Northern air force has enough trained pilots to man aircraft presently available.

A Northern naval officer captured by US forces states that there are no submarines in the "People's Navy" and claims that he had observed no Soviet submarines in Northern Korean waters recently. The Northern Korean "People's Navy" is believed to consist primarily of a small number of motor torpedo boats supplied by the USSR, together with several ex-US, ex-Japanese and Korean-built minesweepers.
II. Political Stability.

Reports indicate that south-bound refugees are becoming a serious problem and the number of Southern Korean military stragglers is mounting. Republican officials are attempting to adopt refugee security measures in order to screen out potential saboteurs and guerrillas. Civilian morale in Taegon continues to be good, primarily because of the northward passage of US ground troops through that area.

The first member of the South Korean government reported to be cooperating with the Northern invaders is Won Sei Hun, a National Assemblyman from the Seoul central district. Won is scheduled to preside over the trials of anti-Communist suspects and Republican officials beginning on 1 July in Seoul.

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