

~~Secret No/orn Nocontract Or/son~~

2

(M)

Central Intelligence Agency



Washington, D. C. 20505



DIRECTORATE OF INTELLIGENCE

01 April 1988

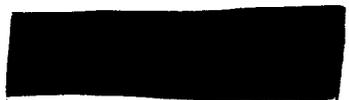
North Korea's Policy Toward South Korea: Is the KA 858 Bombing  
a Harbinger of Change? [REDACTED]

Summary

North Korea's bombing of a South Korean airliner in November--with the loss of 115 lives--stands in stark contrast to its effort since 1984 to project a moderate image and heightens our concern about additional violence as Seoul prepares to host the Olympics. In itself, the bombing does not represent a departure from P'yongyang's longstanding tactics toward Seoul. [REDACTED]

[REDACTED] over the past two decades North Korea's behavior has suggested a two-track approach to the South, mixing acts of violence with proposals for talks. [REDACTED]

Our greater concerns about violence notwithstanding, P'yongyang continues to attempt to project an image of moderation--for example, by proposing renewed talks with Seoul. We believe P'yongyang recognizes that the political costs of a bellicose policy could be considerable,



APPROVED FOR RELEASE

11/99

Jan 9

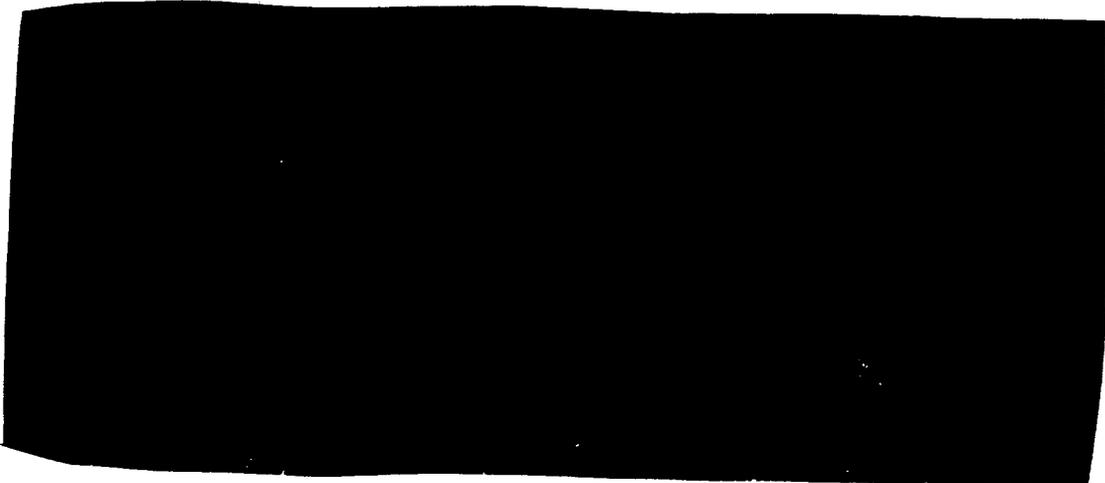
~~Secret No/orn Nocontract Or/son~~

~~Secret Noform Nocontract Orfon~~

including damaging relations with its allies, curbing its limited access to foreign capital and technology, and circumscribing further the chances for direct talks with Washington. Indeed, with South Korean President Roh Tae Woo suggesting he is willing to renew dialogue with P'yongyang after the Olympics, and a change in US administrations in the offing, the North may see new reasons for emphasizing the "peaceful" side of its dual approach over the next year. [REDACTED]

#### After KA 858: More Violence?

Given the North's record of terrorism--ranging from its assassination raid on the South Korean presidential mansion in 1968 to the attempt to shoot President Park Chung Hee in 1974 and the operation that killed 17 South Korean officials in 1983 in Rangoon--the airliner bombing last year obviously suggests the threat of violence in 1988 is acute (see the chronology). The danger seems high now because of the evident motivation for the sabotage: the surviving terrorist claims the bombing was intended to disrupt the Seoul Olympics. In fact, P'yongyang's attempts so far to subvert the Games have done nothing to induce a change in venue, build support for a boycott, or foster backing for "cohosting" with Seoul. Moreover, the airliner episode alone appears to have been too early to have a significant impact on the Olympics, which begin in September. The action, therefore, may have been the first of a series of incidents planned to portray South Korea as unsafe. [REDACTED]



#### The Diplomatic Approach?

Despite our concerns about additional violence in the near term, we do not believe the KA 858 incident portends a policy that will rely solely on this course. P'yongyang has reasons to stress diplomacy and dialogue as well in the months ahead. In fact, since the airliner bombing, the North has continued to try to appear the party

~~Secret Noform Nocontract Orfon~~

~~Secret Noform Nocontract Orcon~~

most interested in tension reduction and talks under the auspices of the suspended North-South dialogue. In [redacted] public [redacted] North Korean officials continue to repeat well-worn themes that emphasize P'yongyang's "peaceful" world view, including dramatic steps such as reducing its military forces. [redacted]

Guidance from the top in P'yongyang suggests we can expect more of the same in 1988. In his New Year's speech, President Kim Il-song called for a North-South conference, attended by representatives of both governments and all political parties, on tension reduction. The proposed agenda encompassed familiar items, including discussion of Team Spirit, the annual US-South Korean joint military exercise, disarmament, and Olympics cohosting. Following up on the speech, in January and again in March, P'yongyang proposed a series of joint conferences to discuss its ideas, to be held in the two capitals after a preliminary session at Panmunjom. [redacted]

We believe P'yongyang appreciates the political costs of relying solely on violence to influence events in the South. North Korea's four-year-long attempt to use more flexible diplomatic tactics obviously has failed to achieve its presumed goals of direct talks with Washington, Olympic cohosting with Seoul, and better access to Western capital and technology, but P'yongyang has few, if any, attractive policy alternatives. Use of violence alone would not help P'yongyang close the widening gap between the North and South in their longstanding competition for international prestige and recognition. Nor would it turn back the South's progress in expanding contacts with Beijing and Moscow--indeed, it could accelerate the trend by alienating the Chinese and Soviets:

- Beijing and Moscow have avoided publicly blaming P'yongyang for the KA 858 bombing. [redacted]

- The North could well conclude that any movement toward contacts with the United States is unlikely without some emphasis on diplomatic norms. [redacted]

#### **New Openings in Seoul?**

The coming year may offer P'yongyang other reasons for pursuing the diplomatic approach--a new administration in Seoul and a new one in Washington in 1989. [redacted]

~~Secret Noform Nocontract Orcon~~

[REDACTED]

In this context, Roh's [REDACTED] public statements point to the possibility of a different approach to the North as well. According to the US Embassy in Seoul, Roh played an important role in formulating South Korea's restrained response to the airliner bombing, apparently ruling out military retaliation soon after the incident. The Embassy also reported that Roh considered extending a conciliatory gesture to the North--perhaps an offer of food aid or to act as a surety for some of P'yongyang's debts--despite KA 858. (S NF)

In public, Roh has suggested an inclination to adopt a softer tone toward the North than his predecessor:

- Shortly after the airliner incident, Roh downplayed P'yongyang's culpability by suggesting the terrorist suspects might either represent only "bellicose elements," or be rogue activists who did not act on behalf of the North Koreans as a whole. The remarks appear intended to give Kim Il-song a face-saving way to extricate himself from the KA 858 fallout similar to the tack taken by President Park Chung Hee in 1972, when he characterized the aborted commando attack on the South Korean presidential mansion as a "rogue operation," and thus paved the way for the first North-South dialogue.
- Roh's flexibility was also presaged during his presidential campaign, when he broke with policy intended to ensure Seoul's allies did not get out ahead in relations with North Korea by publicly stating Washington and Tokyo could recognize P'yongyang before Moscow and Beijing recognized Seoul. Roh also endorsed the North-South dialogue, calling for regular Cabinet meetings, and a "big brother-little brother" relationship between Seoul and P'yongyang. (C NF)

To be sure, the North is likely to see thorns in Roh's olive branches. In itself, the "big brother-little brother" analogy no doubt rankles--P'yongyang's demand for equal cohosting status with Seoul in the Olympics testifies to the importance of such symbolism--but North Korea would be loath to concede other disadvantages vis-a-vis the South. In dealing with Roh's idea of providing aid, for instance, P'yongyang would be unlikely to admit it needs help, or that the South is better off economically. The North also has steadfastly opposed cross-recognition in any form as a ploy to permanently divide the peninsula. P'yongyang probably recognizes that Roh is not risking much on the issue, given Seoul's success already in expanding contacts with the North's allies. (C NF)

**And the North's Reaction?**

Depending on Roh's approach to the dialogue, North Korea may feel pressured to respond, particularly if any apparent flexibility translates into a South Korean effort to seize the initiative. P'yongyang may also see opportunities to press its case on issues ranging from tension reduction to the withdrawal of US troops from the peninsula. But, even if the Roh administration enlivens the exchange between the two Koreas, substantive progress on reunification issues, in our view, will be slow:

- With the South in a position of strength--buoyed by a successful hosting of the Olympics--P'yongyang is likely to see Seoul as the party holding all the cards, and therefore unlikely to offer real concessions during any negotiations.



[redacted] North Korea may also see 1989 and beyond as offering a better chance for contacts with the United States as a new US administration settles in. Washington will remain the key target in P'yongyang's strategy to win withdrawal of US troops, and the North may see continued pursuit of its diplomatic track as essential if it hopes to take advantage of new departures in Washington. [redacted] on Korea policy. [redacted]

**Selected Examples of the North's Dual Approach**

- August 1960:** President Kim Il-song proposes talks leading to a North-South confederation, withdrawal of US forces, and mutual force reduction to 100,000 men each.
- October 1962:** Kim reiterates the confederation proposal.
- December 1963:** P'yongyang proposes a nonaggression pact, standing committee for cultural exchanges, and a conference of North-South representatives.
- July 1965:** South Korean security forces apprehend a North Korean agent north of Seoul. He confesses he was on a mission to assassinate President Park Chung Hee.
- 1966-68:** North Korean guerrilla forces operate inside South Korea in up to company-size strength. The forces seek to carry out swiftly executed attacks against US and South Korean military forces and inflict heavy casualties.
- September 1966:** P'yongyang calls for a North-South conference of political parties and social organizations.
- January 1968:** North Korean commandos attempt to attack the South Korean presidential mansion to assassinate President Park.
- Late 1968:** A 120-man guerrilla force lands on the east coast of South Korea and unsuccessfully attempts to organize a popular insurgency. The entire force is eliminated as it travels overland to the North.
- June 1970:** A third North Korean attempt to kill Park fails when a bomb explodes prematurely.
- April 1971:** P'yongyang issues a proposal for "peaceful reunification" that calls for a North-South political consultative meeting involving representatives from political parties and public organizations.
- September 1971-August 1973:** The two Koreas exchange presidential envoys, conduct humanitarian contacts through the Red Cross, and establish a South-North Coordination Committee. Intermittent working-level contacts in the SNCC channel continue until 1975--and in the Red Cross channel until 1978--with no substantive progress.
- August 1974:** A fourth North Korean attempt to kill Park fails when an assassin's bullets strike Mrs. Park instead.
- January 1980:** The North Korean Premier proposes a meeting with the South Korean Prime Minister and for the first time officially employs the term Republic of Korea.
- October 1980:** Kim Il-song proposes to form a Democratic Confederal Republic of Koryo, although he subsequently rejects a South Korean proposal for summit talks.

~~Secret Noform Nocontract Ofcon~~

**July 1981:** North Korean agents hire a Canadian assassin to murder President Chun Doo Hwan, but the hit man absconds with the money.

**October 1983:** Chun narrowly escapes assassination by a North Korean-planted bomb in Rangoon, Burma; 17 South Korean officials are killed.

**October 1983:** P'yongyang passes through Chinese intermediaries a proposal for unconditional talks between Seoul, P'yongyang, and Washington.

**November 1984:** South Korea accepts the North's offer of flood relief supplies.

**November 1984-January 1986:** Bilateral talks progress intermittently on political, economic, and humanitarian issues.

**June 1986-July 1987:** North Korea presents proposals for talks on political and military issues.

**November 1987:** A bomb planted by North Korean agents on a South Korean airliner kills 115.

**January, March 1988:** North Korea calls for a North-South joint conference.

