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CENTRAL INTELLIGENCE AGENCY
OFFICE OF NATIONAL ESTIMATES

26 January 1968

MEMORANDUM FOR THE DIRECTOR*

SUBJECT: Possible Developments in the Korean Situation

1. The US is confronted by two separate but directly related problems in Korea. Of immediate importance is the release of the Pueblo and its crew. Beyond this, however, the US faces the question of how to cope with North Korea's generally aggressive line. This policy, now more than a year in development, is designed to shake popular confidence in the Seoul government, strain US/ROK relations and undermine South Korean support for the US in Vietnam. Thus, any course of action by the US needs to be measured in terms of its impact on these two problems.

2. There are perhaps three broad courses of action which the US might follow in the current crisis. It could continue to combine diplomatic pressures with some military preparations.

* This memorandum is offered by a working group in the Office of National Estimates as a contribution to discussions; it has not been approved by the Board of National Estimates nor coordinated with other Offices of the Central Intelligence Agency.

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Alternatively, the US could proceed soon to military retaliation. Finally, the US could declare, jointly with the ROK, a new policy for dealing with the North Korean regime, stating that we proposed henceforth to retaliate selectively and in appropriate measure should the warlike acts of that regime continue.

3. Before considering reactions to these options, it should be emphasized that the situation in North Korea is not at all clear. While the broad outlines and motives of Kim Il Sung's policy have been apparent for well over a year, some recent developments are worth noting. Last December, a major address by Kim Il Sung seemed to be moving toward an even harder line; in any event he forcefully reiterated North Korea's support for revolutionary action in the South. This has been followed by even greater emphasis on US aggressiveness, including warnings over "spy ships," and more exhortation to the populace to be vigilant, etc.

4. This line has been accompanied by further changes within the North Korean leadership. It appears that the removal of top level figures beginning in 1966 was related to policy toward South Korea, indicating that this policy may have been

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opposed. Thus, the recent incidents, particularly the guerrilla raid in Seoul, seems to reflect a further development of this aggressive line, and may be related to the internal problems of Kim Il Sung.

5. This could be significant in that North Korean reactions might not necessarily follow the course which would seem dictated by prudence and by what we believe to be their basic policy of stopping short of a resumption of the Korean War.

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Course I

The US continues diplomatic pressures at Panmunjon, in Moscow, and in the United Nations for some time; preparations for possible military action continue.

6. There is a fair chance that, if the US pursues this general course, before long the North Koreans will release at least part of the crew. After they have exploited the incident and obtained technical intelligence from the ship and crew, the North Koreans would probably see little to be gained from detaining the entire crew. They might, however, keep the officers and civilians, and perhaps even stage a trial. They would probably

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not release the ship. The North Koreans would be concerned at the possibility of US military action, but they would probably be more impressed that the US had not acted immediately and had persisted in diplomatic pressures. They would be inclined to conclude that the US was constrained by the requirements of the Vietnam war from any kind of action in Korea which would seriously open up the prospect of conflict on another front. They would also believe that their possession of the crew enforced restraint on the US.

7. In these general circumstances, neither the Soviets nor Chinese are likely to be very influential in Pyongyang. One of the principal features of Kim Il Sung's policy is a militant independence of both Moscow and Peking; indeed he would want to avoid any hint of yielding to Soviet overtures.

8. Even though the US might in time secure the release of some of the crew and even the ship, the effect of this policy on South Korea would probably be quite damaging. The South Koreans have already criticized the US preoccupation with the Pueblo affair, as opposed to the Seoul attack, which they regard as far more serious. The ROK will almost certainly plan a retaliation;

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US attempts to discourage them will undermine their confidence to some extent. They may in fact carry out some fairly forcible retaliatory act across the DMZ, despite US urgings; this would probably complicate efforts to effect release of the Pueblo and its crew under this course of action.

Course II

If the Pueblo and its crew are not released promptly, retaliatory US military actions commensurate with the seizure of the Pueblo are carried out on a one-time basis (attack on North Korean naval vessels at sea or in port), and some new actions by the ROK along the DMZ are initiated.

9. There is little doubt that the North Koreans are concerned over some US military retaliation. They have taken some precautionary measures and the Soviets are obviously keeping a close watch on the Enterprise task force. Both will prefer to avoid any retaliation; if and when Pyongyang became convinced that the US will in fact launch a retaliatory action, it would probably move to moderate the crisis by releasing part of the crew. But there is no certainty that they would become convinced that the US would in fact carry through a retaliation.

10. If the US did strike Wonsan or some North Korean naval vessel, the North Koreans would probably not release the crew or

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ship at once. They might still doubt US determination to go further and they would probably wish to show their own mettle. One thing they could do would be to proceed with the trial and "punishment" of the crew forthwith, as they have already threatened. They might also counter by an air attack of their own against South Korean airfields or even against the Enterprise. In our view this latter seems unlikely since it would invite a rapid escalation of the action and run high risks of an eventual resumption of the ground war.

11. The attitude of the Soviets and Chinese in this situation would be of increasing importance to the North Koreans. Currently, Chinese-Korean relations are so strained and the situation in China so confused that the North Koreans would not count on Chinese support. While the Chinese are likely to take a hard propaganda line they would almost certainly refrain from any action against the US.

12. The North Koreans cannot afford to proceed very far in a confrontation with the US without some assurance of Soviet military support. We doubt any firm assurance would be given at this stage, despite Soviet obligations under the 1961 Mutual

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Assistance Treaty. We think the initial Soviet response to a US air strike in North Korea would be somewhat along the lines of their first reaction to US air strikes against Vietnam. They would of course be tough in public support of Pyongyang, but probably they would go quite far in private pressures on the North Koreans to end the crisis.

13. The resort to military action would please the South Koreans, who are less concerned to effect release of the Pueblo than to display a firm and tough posture toward the North. However, if an air strike left the North Koreans still defiant and threatening, and the US showed no inclination to undertake further military attacks, the ROK would feel that the US and South Korea had lost considerable face. The net result could be damaging to popular morale in the ROK and to US-ROK relations.

14. In sum, the threat of retaliation, if it were convincing, could be effective in securing the early release of the crew and possibly the ship, but the actual deed would not be likely to accomplish this, at least immediately. Retaliation would evidently bring the Soviets and Chinese more directly into the situation, but the nature of their advice and the extent of their influence

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with the North Koreans cannot be reliably foreseen. Because of the UN involvement, other countries would also make their voices heard, and there would be a growing concern in the world over the possibility of general war in the Far East.

Course III

Under this course, the US and the ROK would make a policy statement emphasizing the generally aggressive nature of the actions of North Korea and announcing a new policy of active self-defense including selective retaliation as appropriate. No specific action would be promised, but the ROK would in fact be granted some latitude in retaliatory action along the DMZ, and the US would make some open movements to strengthen the Eighth Army and the Seventh Fleet. Direct retaliation for the Pueblo incident would be withheld for the time being.

15. This line would not be likely to result in the immediate release of the Pueblo. The North Koreans would, however, have some time to consider their own alternatives and to consult with the USSR and the Chinese. They would see in this US stand a partial accomplishment of their objective of tying down US and ROK forces in South Korea and perhaps causing some diversion of effort from South Vietnam. Nevertheless, the North Koreans and the Soviets would probably be impressed by the evident willingness of the US to adopt a strong stand in Korea, as well as in Vietnam, especially if there were clear signs of a military

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buildup in the Far East. Pyongyang might decide to slow down some of its own terrorist and guerrilla programs. In time the crew of the Pueblo might be released, or perhaps exchanged for North Koreans captured in the South.

16. Because of the broader implications of this course, the Soviet Union would probably become more directly involved in North Korean policy. Our view is that Moscow does not want a reopening of the Korean War; as long as Kim Il Sung's policy seemed to be paying dividends in Seoul without high risks, the Soviets supported him. In this new situation, Soviet counsel almost certainly would be one of restraint. Nevertheless, the Soviets would almost certainly have to increase their military aid and to respond publicly to the US.

17. The Chinese might see in this situation a chance to regain their lost influence in Pyongyang. Despite a formal Defense treaty with North Korea, the Chinese would probably not commit themselves to direct military support in response to this US course of action. There would be increasing fears in Peking that the US was moving to open a two front war, directed ultimately against China. Such fears would almost certainly reinforce Chinese caution in Korea and in Vietnam.

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18. The South Koreans would welcome this course of action; they would want to stage some action along the DMZ at an early date and they would probably urge an air attack on North Korean guerrilla training camps. They would also ask for greater US military assistance, particularly aircraft. But their general confidence in the US and its Asian policy would increase.

19. The US could expect some adverse international reaction to a new policy pronouncement and any follow up actions. And of course, the internal debate in the US would be a factor to be considered. All Communists would keenly watch domestic US developments for indications of how far they themselves could go in confronting the US.

20. In sum, this option would not guarantee the release of the Pueblo, but it would strengthen US solidarity with the ROK. In time, if the US and especially the ROK did begin limited retaliations, the North Koreans might decide that their own policies were becoming too risky and potentially costly. But there is a chance, as indicated above, that Kim Il Sung may be acting with less prudence than we estimate and may in fact be

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willing to absorb some US military retaliation in pursuit of
his present policies.



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