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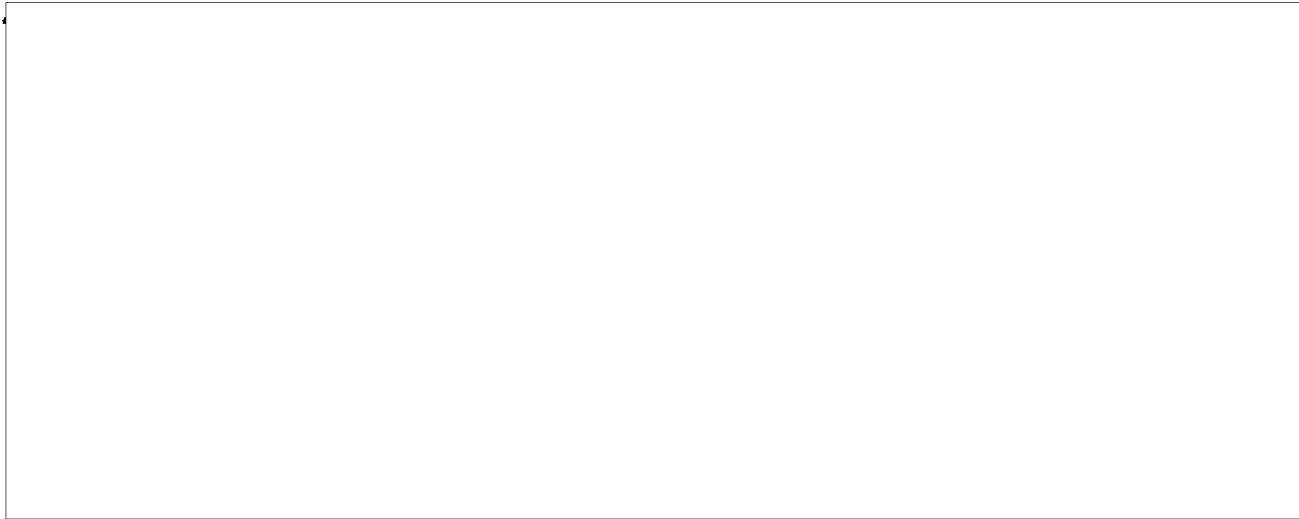
National Intelligence Situation Report

K O R E A

Summary

North Korean Armed Forces generally remain in an advanced alert posture. No major elements have redeployed, however, and some units within all three services have shown signs of returning to more normal activity. North Korean actions at the Military Armistice Commission meeting this morning were generally restrained and indicated an interest in pursuing discussion of the issue of personnel security in the Joint Security Area. In the near term, North Korea will probably continue to attempt to defuse the current crisis.

Military Situation



UN Command forces remain in DEFCON 3. The additional two tactical fighter squadrons--the F-4 squadron at Kunsan and the F-111 squadron at Taegu--deployed to Korea in the wake of the August 18 incident remain there. The MIDWAY and her accompanying surface combatants are operating in the Korean Strait, and B-52D training sorties continue to overfly South Korea at a rate of one cell of three aircraft per day. US intelligence collection operations also continue at an advanced pace.



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Political Situation

At the scheduled meeting of the Military Armistice Commission this morning (1600 Korean time on 25 August), the North Koreans proposed complete separation of the security personnel of the two sides as one way to avoid further violent incidents in the Joint Security Area at Panmunjom. Specifically, they suggested that guard posts of the two parties be set up only on their respective sides of the military demarcation line as it runs through the Joint Security Area. North Korean press and radio commentary suggested that separation be enforced even in the conference hall at the site. The commentaries argued in restrained language for the "reasonableness" of the Northern proposal which, in effect, substantially modifies the agreed 1953 ground rules of the Military Armistice Commission.

At the same time, however, the North Korean senior representative at the Military Armistice Commission meeting evaded direct comment on the UN representative's demand that Pyongyang ensure the safety of UN Command personnel at Panmunjom and punish those responsible for the 18 August murders.

Meanwhile, a South Korean news service has characterized the North Korean posture these past few days as a virtual "capitulation."

Assessment

Our best judgment is that the North Korean Armed Forces are not preparing any major military response to US actions. Since the August 18 incident at Panmunjom, North Korean actions have been primarily cautious and defensive in nature and have not reflected intent to conduct open hostilities. The military alert, publicly announced on August 19, will likely remain in effect until Pyongyang is convinced that the threat of military action by the US and its South Korean ally has been reduced. In the near term, North Korea will probably continue to attempt to defuse the current crisis. In the longer term, however, Pyongyang will continue to try to

focus world attention on the US presence in Korea, emphasizing claims that the US is responsible for tensions on the peninsula. In this respect, we would expect continuing harassment, propaganda, and diplomatic initiative. We would, however, expect North Korea to avoid actions that could lead to new confrontations with US forces.

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