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CENTRAL INTELLIGENCE AGENCY

23 February 1968

MEMORANDUM FOR THE UNITED STATES INTELLIGENCE BOARD

SUBJECT: Memorandum to Holders of NIE 14.2-67: NORTH KOREAN INTENTIONS AND CAPABILITIES WITH RESPECT TO SOUTH KOREA

- 1. The attached draft estimate has been approved by the Board of National Estimates after consideration by the USIB representatives. We do not plan to hold a clean-up session on this draft unless requested to do so by one of the agencies by noon, Monday, 26 February.
- 2. This Memorandum has been placed on the agenda of the USIB meeting scheduled for 1030, Thursday, 29 February.

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Executive Officer National Estimates

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CENTRAL INTELLIGENCE AGENCY

23 February 1968

SUBJECT: MEMORANDUM TO HOLDERS OF NIE 14.2-67: NORTH KOREAN INTENTIONS AND CAPABILITIES WITH RESPECT TO SOUTH KOREA, dated 21 September 1967.

- 1. Events since last September tend to confirm the conclusions of NIE 14.2-67, that North Korean activities will include a campaign of military harassment in the DMZ area, continued attempts to infiltrate guerrilla teams, and the dispatch of terrorist and sabotage missions. The raid on the Blue House represents the most dramatic and flagrant manifestation of the campaign begun in late 1966 to disrupt political order in South Korea, to tie down large ROK forces, and to encourage insurgency in the South. North Korean handling of the Pueblo crisis reflects an intention to heighten tensions and exploit US preoccupations with Vietnam. Kim Il-sung's recent speeches indicate he is still determined to maintain a bellicose posture.
- 2. These developments have hardened Seoul's attitude and increased the likelihood of a major ROK reaction to North Korean harassments. The North Koreans probably believe that the

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US will impose restraints on the ROK and will be reluctant to escalate its own responses in Korea. The North Koreans now probably see great and continuing opportunities to exacerbate relations between Seoul and Washington.

- 3. We continue to believe that Pyongyang realizes that an intensification of incidents and attacks could escalate to the point of open warfare. We still estimate, however, that North Korea does not plan to invade South Korea and will not deliberately provoke hostilities on a scale which would amount to a resumption of the war.
- 4. Nevertheless, the general situation in Korea is more dangerous than it was last fall, since the possibilities of miscalculation are greater. The North Korean attitude is more openly truculent than at any time since 1953. The raid against the Presidential residence indicates that the North Koreans are willing to run fairly high risks; they must have been aware that assassination of President Pak could have provoked a major ROK retaliation. They may be counting heavily on US preoccupation with Vietnam, and on the deterrent value of their own mutual defense treaties with China and the Soviet Union.

- 5. We believe that North Korea is pursuing an independent policy. Pyongyang probably does not consult with Moscow and Peking on the tactical development of its policy against the ROK and the US. North Korea's relations with China are cool, and thus Peking's influence is quite limited. In any event, we believe Peking does not want to be involved in a new Korean War at this juncture. As for the USSR, recent events have probably forced it to pay somewhat more attention to developments in Korea. We believe that the USSR does not want a major war in the area. Though not necessarily decisive, the USSR's influence in any major crisis would probably be exerted in the direction of restraint on Pyongyang.
- €. Additional evidence since our last estimate suggests that North Korea will continue its efforts to establish guerrilla bases in the South. But we believe that their prospects for success in this endeavor remain poor.
- 7. We now believe that the North Korean Navy has at least four "W" class submarines, at least seven "KOMAR" class guided missile boats and associated Styx missiles, and two "SHERSHEN" class fast patrol boats. Otherwise, the general level of equipment and strength of the North Korean forces is as described in Annex I of NIE 14.2-67.