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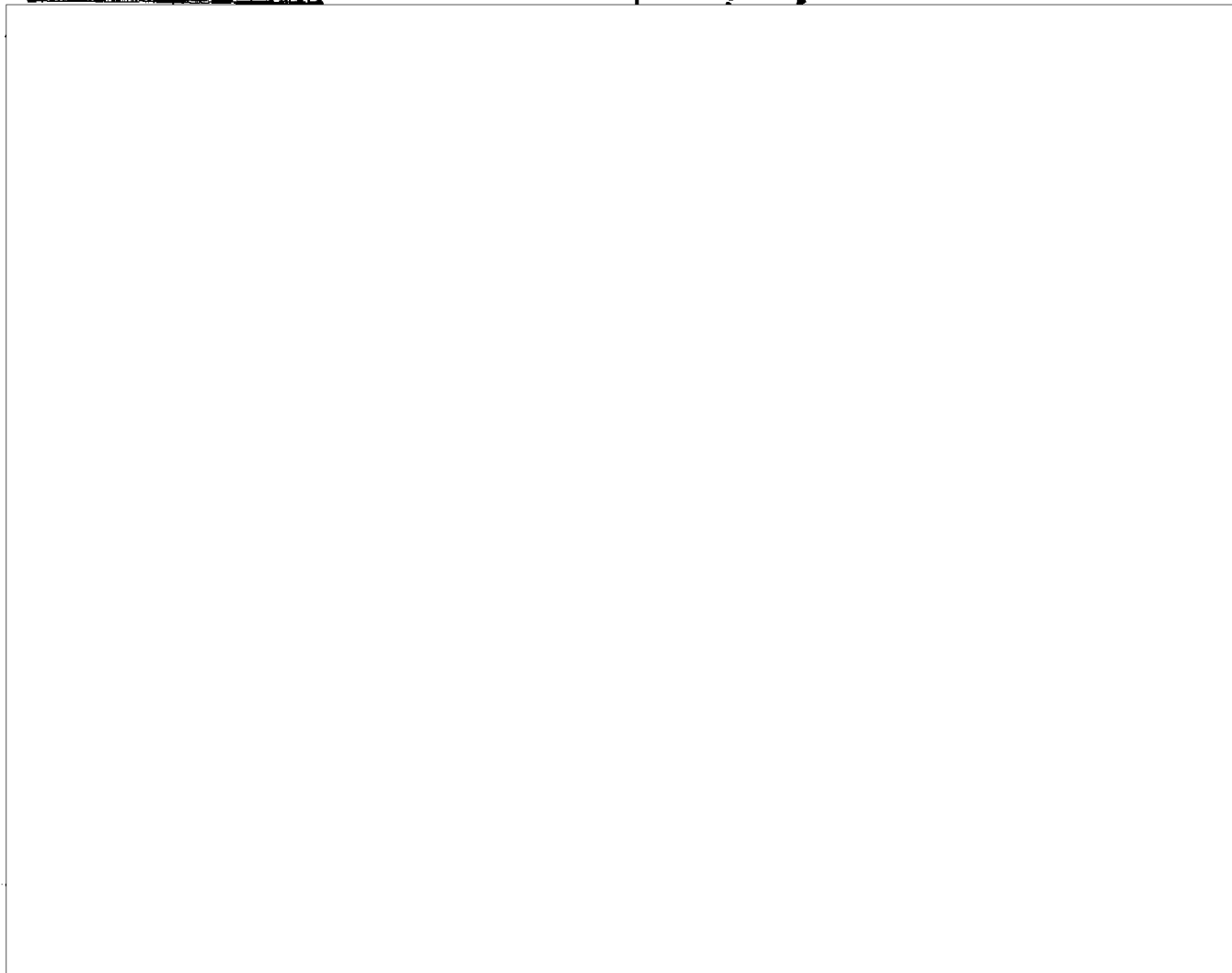
#2-76
1400 EDT
20 August 1976

**National Intelligence Situation Report
K O R E A**

Summary

There has been little change in the situation in Korea over the past 12 hours and there have been no new North Korean provocations. North Korean forces remain in a high state of readiness and are expected to maintain this posture in anticipation of a possible US-Republic of Korea military response to the Joint Security Area incident. Pyongyang continues to display caution in the political arena and international reaction has been along expected lines.

Military Situation

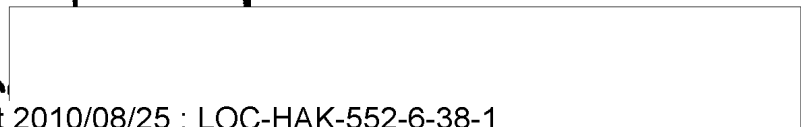


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Renewed calls for war preparations continue. The most recent occurred today when Pyongyang issued a statement decrying the movement of US aircraft to South Korea. Thus far, the US has deployed a total of 18 F-4s and four RF-4s to Osan and 20 F-111s to Taegu. The aircraft arrived at the bases at 190546 EDT and 200455 EDT August, respectively.

International Considerations

The South Korean Government has not formulated any plans to respond to the incident, but will monitor the situation as it develops. Blue House officials believe the North Koreans made several strategic mistakes that can be used to good advantage. Media interviews with the man on the street in Seoul show that they perceive a renewed threat from the North and people have united solidly behind the Pak government.

Peking has not commented directly on the military measures taken by both sides, but the commentary stopped short, however, of promising Pyongyang all-out support. Comments from several other communist capitals have sided with North Korea. A Hong Kong newspaper has provided the first Chinese reaction. It predictably accused the US and South Korea of provoking the incident to provide a pretext for US failure to implement the North Korean-backed UN General Assembly Resolution on Korea.

Japanese press coverage has been factual and low-key. The lack of attention may be caused by Japanese anticipation of further revelations in the Lockheed investigation and leftist inclination to downplay the Joint Security Area incident lest it stimulate support for Japan's defense effort.

The nonaligned summit passed the North Korean resolution condemning "imperialist maneuvers for aggression against Korea." However, it was not a complete triumph for the North as at least 15 nations voiced objections to the resolution.

There still has been no Soviet press comment on the situation, and no unusual Soviet or Chinese military moves have been detected.

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A Singapore Straits Times editorial stated that both sides are always spoiling for a fight but notes that the stern words of President Ford and Secretary Kissinger should be backed up by credible action to deter further unwarranted provocation. The editorial cautioned, however, against US/Republic of Korea rash countermeasures.

Political Situation

No Peoples Republic of China representatives attended the 19 August Military Armistice Compound meeting, and surprisingly, there were no North Korean guards with the North Korean delegation at the meeting. The meeting of the South-North Red Cross Societies was held at Panmunjom on the 20th, and again neither North Korean guards nor reporters were present. In summary, Pyongyang is still acting cautiously while seeking to portray itself as the victim of US aggression.

Assessment

Although our evidence is limited, we believe that Pyongyang has continued to follow a course that contains much bluster but is essentially defensive. Their options, however, remain open and they could act at any time. Near the scene of the 18 August incident, as an example, the equivalent of a tank regiment consisting of three tank battalions and one mechanized infantry battalion -- some 1,600 troops, 100 tanks, and 33 APCs -- could be deployed to Panmunjom within an hour. We have still seen no signs that North Korea plans either a preemptive strike against the South or a full-scale invasion. In addition, we note that North Korea propaganda still eschews rhetoric that would indicate Pyongyang wants war. Even in their limited contacts with South Koreans -- at the 13th working-level meeting of the South-North Red Cross Societies at Panmunjom on 20 August -- North Korean representatives played relatively low-key roles. We would, of course, expect recent US military deployments to have had at least some dampening effect on North Korean propensities toward provocations as would the restraint so far shown by the USSR and China. In summary, North Korea's advanced military alert, which has spread to the small-unit level, still appears to us to be primarily precautionary rather than in expectation of major military action.



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