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WEEKLY SUMMARY

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NORTH KOREA PROVOKES NEW CONFRONTATION

North Korea's audacious actions in attempting to assassinate South Korean President Pak Chong-hui and in seizing the USS Pueblo and its crew were apparently individual, uncoordinated actions. Both, however, probably were aimed primarily at generating diversionary pressures on the US at a time when Communist forces in South Vietnam are poised to launch a major country-wide offensive.

In undertaking these risky adventures, the North Koreans were carrying out Premier Kim Il-song's prescription for combating American power on a world-wide scale. Over the past year, he has repeatedly described Vietnam as the focal point of the world struggle and has urged all Communist regimes to take "more positive actions" to aid Hanoi by forcing the US to "disperse" its strength.

On 19 January, the day the North Korean raiding party crossed the Demilitarized Zone on its way to Seoul, Pyongyang radio broadcast Kim's call for "blows" against the US "in all parts of the world" in order to "split its forces to the maximum degree." Kim insisted, "We must tie the US up wherever it puts its feet, so that it cannot move around freely."

Although the heavily armed North Korean raiding party failed to execute its assigned mission of blowing up the presidential

mansion, it managed to penetrate to within 800 meters of Blue House before being driven off by South Korean police. The fact that the Korean leaders ordered such a highly provocative venture indicates they were prepared for a sharp confrontation on the 38th Parallel, including at least limited and localized military action. It seems likely, however, that Pyongyang was counting heavily on the US to restrain the South Koreans and to prevent a military escalation in Korea that would require a major diversion of US military resources from Vietnam.

The Pueblo incident, in North Korea's view, appears to have been a windfall opportunity to sharpen the diversionary confrontation in Korea, to stimulate US - South Korean differences, and to put greater pressures on US policy in Asia. The seizure of the Pueblo probably was not part of an elaborate scenario prepared in advance.

North Korea has adopted a defiant stand in the initial talks at Panmunjom and appears determined to prolong the confrontation for some time. The senior North Korean representative at the Military Armistice Commission meeting on 24 January flatly rejected the US demand for the immediate return of the ship and its crew. He remained silent on Pyongyang's intentions regarding the disposition of the Pueblo.

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Despite this provocative stand, the North Koreans probably are not prepared to press events to the point of an uncontrollable conflict. Pyongyang, moreover, is seeking to avoid responsibility for the Seoul raid by portraying it as part of the South Korean people's "heroic struggle" against the Pak regime.

These two incidents will sharply increase pressure on the South Korean Government to mount strong retaliatory action. The seizure of the Pueblo, following on the heels of the Seoul raid, has deepened public concern over North Korean intentions and over the security situation in

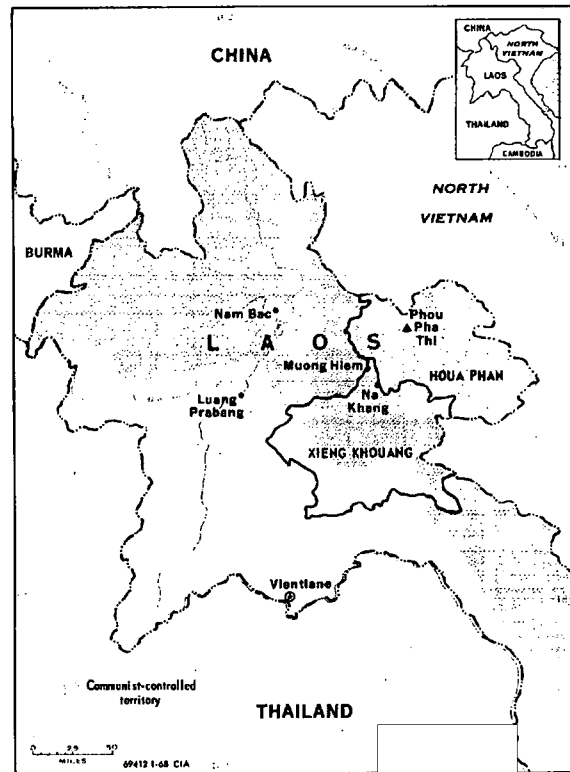
the South. The success of the North Korean team in penetrating Seoul has generated loud criticism of the government. President Pak has urged the cabinet and party leaders to "prepare measures to counter and root out once and for all such atrocious activities" as the Seoul raid. Despite firm UN Command prohibitions against unilateral South Korean reprisals, Pak has permitted some punitive raids against the North in the past. Any further aggravation of the confrontation might impel Pak to authorize more extensive retaliatory action and make it more difficult to control the course of events. [REDACTED] (b)(3)

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LAOTIAN GOVERNMENT FORCES SUFFER SEVERE SETBACK

The loss of Nam Bac on 13 January represents one of the most severe military setbacks the Laotian Government has suffered in five years, but there are still no indications that the Communists intend to press their advantage by a drive into government-held areas.

It will be some time before total government casualties can be determined, but losses will probably be high. A full week after the defensive perimeter collapsed, less than half the original complement of 3,500 is accounted for. The enemy is still harassing units as they attempt to withdraw, and friendly guerrilla units and helicopters are being moved in to help with the evacuation. The government also lost large stocks of heavy weapons, ammunition, food, and equipment.

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