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Director of Central Intelligence

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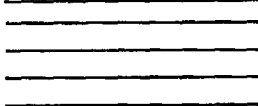
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# National Intelligence Daily

*CIA/PASS - NID 98-154CX*

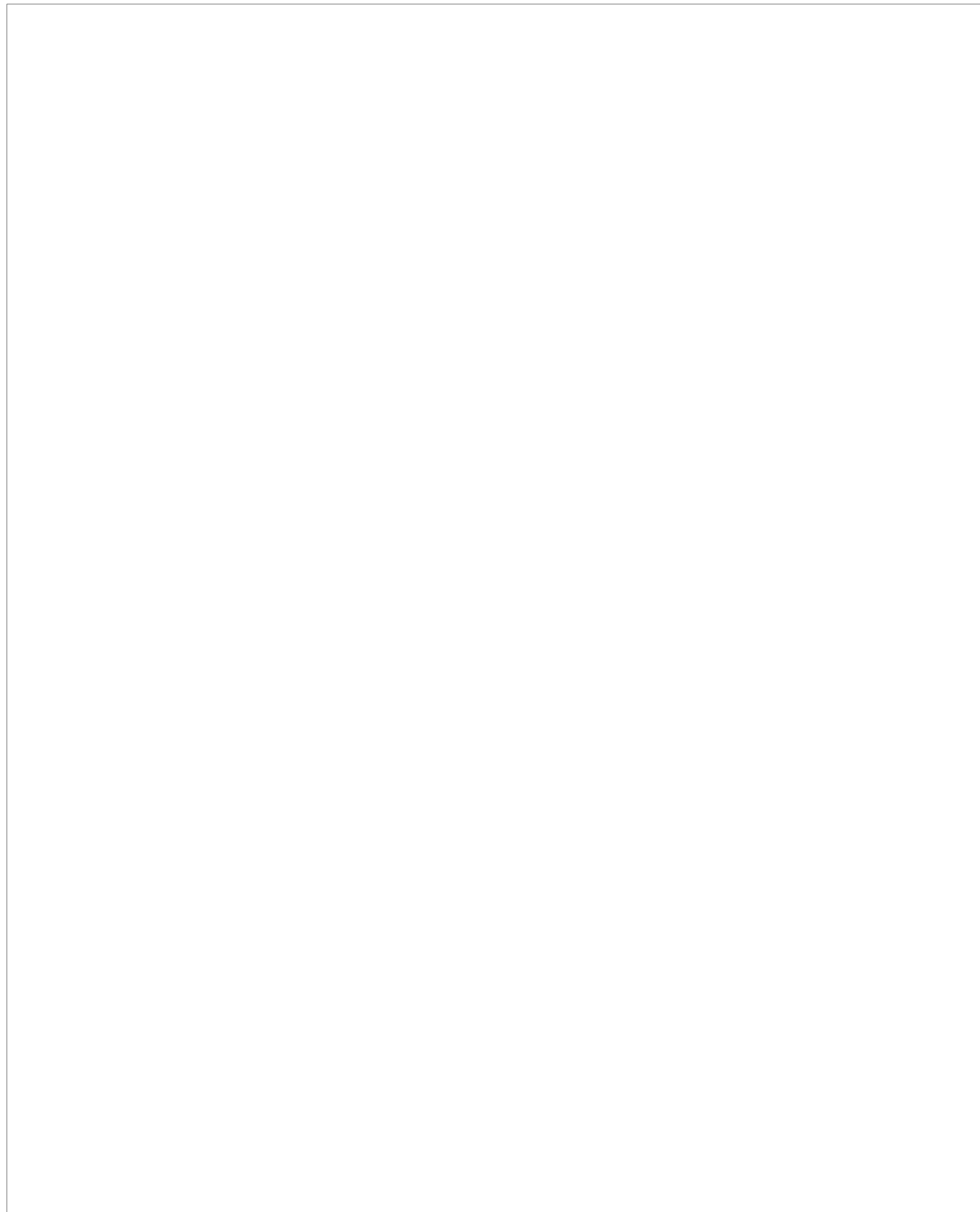
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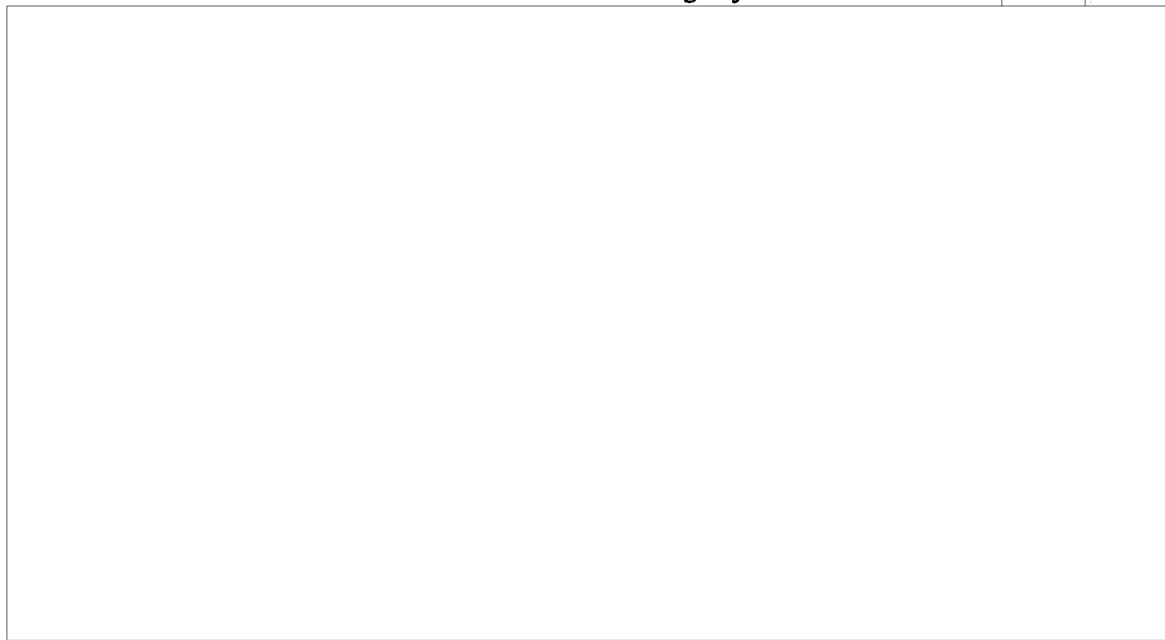
**Current Notes**

**East Asia**

**North Korea-South Korea: Moving Beyond Submarine Incursion**

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Note: The *National Intelligence Daily* will not be published on 3 or 4 July.



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**Current Notes**

**EAST ASIA**

**North Korea–  
South Korea:**

**Moving Beyond Submarine Incursion**

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North Korea's delegates to the General Officer-level talks at P'anmunjom yesterday said P'yongyang will drop its claim that the South is responsible for the deaths of the submarine crew and will not use the incident for propaganda purposes. The North, however, did not accept responsibility for the infiltration, which violates its nonincursion pledge made after the submarine incident in 1996.

*— The North is seeking to avoid prolonged discussion of the incident that might prove embarrassing or endanger much needed foreign aid.*

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*P'yongyang's nonconfrontational response should provide President Kim Tae-chung the necessary political cover to continue his efforts to enhance North-South engagement. In a move that could counter domestic criticism that Kim's North Korea policy is "too soft," the South's National Security Council this week adopted a resolution demanding the North admit to the infiltration, punish those responsible, and guarantee no further incidents.*

*— Kim now is in position to move forward with increased exchanges with the North or fall back on the NSC resolution if P'yongyang becomes more intransigent.*

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