SUBJECT: YELLOW SEA INCIDENT BETWEEN NORTH AND SOUTH, FEBRUARY 26-27

1. WE HAVE JUST REVIEWED REPORT BY CINCUNC TO JCS (REFTEL). REPORT COVERS BASIC FACTS BUT THERE ARE NUMBER OF DETAILS STILL TO BE FILLED IN BY CINCUNC.

2. FROM EMBASSY VIEWPOINT, WE HAVE FOLLOWING PRELIMINARY COMMENTS OF OUR OWN:

A. YELLOW SEA INCIDENT WAS FIRST IN OUR RECOLLECTION TO TAKE PLACE IN INTERNATIONAL WATERS AS CLEARLY ACCEPTED BY BOTH SIDES. IN PAST INCIDENTS, THERE HAS ALWAYS BEEN A CLAIM BY EITHER SIDE THAT INCIDENT ORIGINATED IN INTERNATIONAL WATERS.

B. WHILE THIS IS FIRST INCIDENT INVOLVING NORTH KOREAN FISHING VESSELS SOUTH OF NLL TO OUR RECOLLECTION, THERE CAN BE A NUMBER OF EXPLANATIONS FOR THIS. ONE POSSIBILITY IS THAT SMALLER NORTH KOREAN FISHING VESSELS STRAYED SOUTH AND TWO LARGER ARMED NORTH KOREAN VESSELS WERE SENT SOUTH TO DIRECT THEM BACK NORTH.

C. AT NO POINT IN OUR RECORDS OF INCIDENT DID LARGER ARMED VESSELS HEAD TOWARD SOUTH KOREAN TERRITORY, ALTHOUGH THEY WERE MOVING SOUTHWARD WHEN SPOTTED AND CONTINUED TO DO SO. RAMMING INCIDENT TOOK PLACE AFTER NORTH KOREANS TURNED WESTWARD FROM SOUTH KOREAN TERRITORY TO MOVE OUT OF AREA WHICH CINCUNC DEFINES ROUGHLY AS ADIZ.

D. OUR INITIAL INTELLIGENCE ASSESSMENT OF NORTH KOREAN REACTION LEADS US TO TENTATIVE CONCLUSION THAT NORTH KOREANS WERE REACTING TO WHAT THEY CONSIDERED TO BE UNIQUE ACTION OF ENGAGING THEIR VESSELS IN INTERNATIONAL WATERS. THEIR REACTION WAS IN TURN UNIQUE AND UNCHARACTERISTIC, PARTICULARLY WITH RESPECT TO USE OF AIRCRAFT SOUTH OF NLL AND OVER UNC CONTROLLED NORTHWEST ISLANDS. NEVERTHELESS, AS REFTEL POINTS OUT, NORTH KOREAN AIRCRAFT ACTIONS WERE DEFENSIVE IN NATURE.

E. WE ALSO ARE CONCERNED THAT NORTH KOREANS MAY BE
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Reacting to loss of two vessels in previous months and that as a result of this incident they may wish to "even the score."

F. At present time our principal concern is continuation of tense atmosphere which could lead to further incidents initiated by the North or as result South Korean reaction to North Korean actions. I have spoken with General Stilwell and he assures me that very tight control is being maintained over ROK forces.

G. Finally I recommend urgent review of rules of engagement as they affect actions in international waters. As we understand current rules of engagement as explained to us by CINCUNC, our ships have right to challenge and week to board ships that refuse to identify themselves, where there is no clear evidence of hostile intent.

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