

August 26, 1975

Memoranda of Conversations between James R. Schlesinger and Park Chung Hee and Suh Jyong-chul

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Summary:

Several memoranda of conversations between U.S. Secretary of Defense James R. Schlesinger and Park Chung Hee and other leading South Korean officials.

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copy sent to Barnes

9 September 1975

General Goweroff

MEMORANDUM FOR LTC ROBERT C. McFARLANE, USMC
OFFICE OF THE DEPUTY ASSISTANT TO THE PRESIDENT
FOR NATIONAL SECURITY AFFAIRS

[Handwritten initials]

Bud:

Per our conversation on Monday, enclosed are the MEMCONS of
Secretary Schlesinger's visits with key South Korean officials.

Howard

Enclosures
As stated

HOWARD D. GRAVES
LTC, USA
Military Assistant

DECLASSIFIED
E.O. 12958 (as amended) SEC 3.3
MR # 08-06, #2
OSD Mr 4128/08
By dal NARA, Date 12/10/09



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MEMORANDUM OF CONVERSATION

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PARTICIPANTS: President Park Chung Hee
 Minister of Defense Suh Jyong-chul
 ROK Chairman of JCS Ro Jae-hyun
 Secretary General, Kim Chong-yom
 Senior Protocol Secretary, Choi Kwan-soo

Secretary of Defense James R. Schlesinger
 Ambassador Richard L. Sneider
 General Richard G. Stilwell
 Chairman, JCS, General George S. Brown
 CINCPAC, Admiral Noel A.M. Gayler
 Military Assistant to Secretary of Defense, Maj Gen John A. Wickham

TIME & PLACE: President Park's Office, August 27, 1975

During the pre-lunch and luncheon conversation, three areas of particular interest were covered.

1. JAPAN

President Park discussed his concerns about the Japanese attitude toward Korea, particularly his fears about the leftward drift in the Japanese political scene when the younger generation takes over and the diminution of Japanese economic assistance to Korea. During the discussion, Secretary Schlesinger said that he proposed to discuss with Prime Minister Miki the need for greater Japanese economic assistance to Korea.

2. HUMAN RIGHTS

In the course of discussing recent Congressional visits to Korea, Secretary Schlesinger noted that President Park, as a result of these visits, must be aware of Congressional attitudes on human rights and the problems it has caused the Administration.

3. ASW

President Park described his rationale for acquisition of submarines. He said that, in order to deal with the North Korean submarine threat both during a period of conflict and to prevent infiltration and subversive efforts, he wished to acquire a comparable capability. He felt that, if the ROK had similar capability, North Korea would not utilize its submarines. Secretary Schlesinger suggested that there are probably more cost-effective ways for dealing with the North Korean submarine threat than purchasing or



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By dal NARA, Date 12/10/09

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building submarines in the South. He mentioned use of P-3's and sensors for the detection and if necessary destruction of the submarines. He also stressed the vulnerability of the North Korean ports to mining and other techniques to close these ports. It was agreed that the U.S. would provide experts to review the options available to deal with the North Korean submarine threat. In addition, the Secretary asked General Brown and Admiral Gayler to look into P-3 operations in the Korean area.

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MEMORANDUM OF CONVERSATION

PARTICIPANTS: President Park Chung Hee
 Minister of Defense Suh Jyong-chul
 Ro Jae-hyun, ROK Chairman of Joint Chiefs of Staff
 Kim Chong-yom, Secretary General
 Choi Kwan-soo, Senior Protocol Secretary

Secretary of Defense James R. Schlesinger
 Ambassador Richard L. Sneider
 General Richard G. Stilwell
 Admiral Noel A. M. Gayler, CINCPAC
 General George S. Brown, Chairman, JCS
 Major General John A. Wickham, Military Assistant to SecDef

TIME & PLACE: President Park's Office, August 27, 1975

NORTH KOREAN THREAT

After an exchange of initial greetings, President Park made a lengthy presentation focussing on his current assessment of the North Korean threat and the ROKG Force Improvements Requirement Plan.

After the collapse of Vietnam, there was a high degree of tension in Korea with the South Korean people anxious and the North Koreans encouraged to launch an attack against the South. The situation in Korea, however, has now stabilized due to two major factors: (1) U.S. statements on reaffirming U.S. commitments and issuing public warnings to North Korea; and (2) the unity and determination demonstrated in the Republic of Korea. North Korea is now frustrated and no longer encouraged to launch an attack. It has changed its tactics and is pressing a "peace offensive".

Secretary Schlesinger agreed that the North Korean moves were tactical and suggested that the counter-strategy is to keep North Korea engaged in a "peace offensive".

President Park stressed that war on the Korean peninsula will be due to miscalculation on the part of Kim Il-sung. If Kim thinks that the ROK can not cope with an attack, then he will attack even though North Korea will not succeed militarily. There is always a danger that Kim might miscalculate and therefore the outbreak of war depends on Kim's assessment of the situation in the South. To prevent miscalculation, President Park suggested that we must make our intent and determination to resist aggression known and back these words by deeds, specifically by building up ROK military capabilities. In this connection, Secretary Schlesinger's visit is a very significant demonstration of U.S. resolve to meet its commitment and a clear warning to North Korea. The President said that he had been briefed on the Secretary's talks with Minister Suh and was pleased by the unity and friendship demonstrated therein and the common resolve to defend against a North Korean attack.

ROK FORCE IMPROVEMENT

President Park went on to describe his plans for strengthening the ROK armed forces, thanking Secretary Schlesinger for his understanding attitude. He said that in the past the ROK had been too dependant on the United States and relied too much on the United States. It is now determined to defend itself and lessen the U.S. burden. It has, therefore, adopted a plan for self-reliant defense "YOLKUK". This plan contemplates upgrading the combat capabilities of the ROK so that it can defend itself alone against a North Korean attack which does not have substantial help from the USSR or PRC. President Park hopes to accomplish this goal in five years. A large sum will be needed to fund the plan and as much as possible of these funds will come from ROK resources, specifically from the new defense tax levied over the next five years. Under the plan, naval and air force capabilities, now inferior to the North, will be upgraded and the mobility and fire power of the ground forces will likewise be improved. In addition, the homeland reserve will be armed with new equipment.

President Park said that the new plan needs American understanding, support, and cooperation. He also urged expediting completion of the modernization plan which is now behind schedule. Finally, he requested U.S. assistance in building up Korea's defense industry

President Park asked that the level of U.S. forces be maintained until the five year plan is accomplished. He had met and explained his plan to a number of members of the U.S. Congress. They asked whether after five years the United States would be able to withdraw. President Park said that we must keep in mind that, even though the South would be able to deal alone with the North, North Korea is allied to the USSR and the PRC which need only cross a river to support North Korea. The role of the United States is to prevent war and to maintain the delicate balance of power in Northeast Asia. Therefore, even after the five year plan is completed a substantial level of U.S. forces will be needed in South Korea. President Park said that most Congressmen agreed with his views.

COMMENTS BY SECRETARY SCHLESINGER

The Secretary said that he concurred with the basic structure of President Park's planning, but had several comments. With respect to the level of U.S. forces, he foresees no basic changes over the next five years. The overall strength of the U.S. forces will not be effected, but there will be adjustments in detail to enhance the common defense structure of the United States in Korea. Furthermore, for the foreseeable future, we will have to maintain the overall complementarity of the U.S.-ROK forces. The principal deficiencies in the ROK forces are close air support, armor, and logistics, and these will have to be shored-up.

The Secretary said that he anticipated South Korea will make progress with regard to its capability for dealing with the North, but he does not believe it is necessary for the South to hold the ring against the USSR and

the PRC should they be inclined to support North Korea. That role will be played by the U.S. Therefore, it is an illusion to view South Korea as entirely dependant and self-reliant. The U.S. must maintain forces in Northeast Asia and in the Western Pacific to deal with these super powers. In order to enhance the U.S. image in this respect, we plan in the immediate future to rotate into South Korea assets which will be most visible against the Chinese and Soviet threat, such as F-111's.

Secretary Schlesinger urged even close joint defense planning for both military and political reasons. He explained that one problem in the U.S. is the view that South Korea is not doing enough in its own defense. The new Korean force improvement plan helps very much in this respect. Secretary Schlesinger then urged that the improvement in the ROK force structure not be implemented in such a way as to damage Korea's international economic position, given its current balance of payments problem. He suggested that the ROK assure that off-shore acquisition of weapons be carefully considered on a cost effective basis so as to limit its impact on the balance of payments deficit. He also suggested that, given Korea's need to maintain its credit worthiness with commercial banks, it avoid publicly making war appear likely, which could have a very bad effect on the banks. He urges that Korea build its economy and defense for the long-term and not take short-term actions impairing its economic future.

Secretary Schlesinger said that the U.S. would be willing to assist in the development of Korea's defense industry and to review the most effective areas for assistance. He suggested logistics, armor, and artillery as the areas with the most serious deficiencies.

The Secretary then discussed Korea's position in relation to international politics. In the wake of the Vietnam debacle, there had been understandable concerns. He wished, however, to stress that U.S. adversaries should gain no comfort from Vietnam. The American public had been bewildered by the Vietnam War. There will be no more Vietnams. This means that we will not permit ourselves to be engaged in another unsuccessful, long war. Instead, we will deal with conflict with adequate determination and force. A North Korea miscalculation would be tragic for the North.

Korea is an important element in the global balance of power. Soviet tactical ploys at the present time do not portend any change in the fundamental Soviet objective to expand its power and influence. The PRC is apprehensive. Detente is misunderstood. For detente to be successful, we need to maintain the balance of power without any expansion of Soviet influence. What happens in Korea affects the balance of power elsewhere and vice versa. Europe is affected by the expansion of Soviet power in Korea while flabbiness in Europe has its effect on Korea.

President Park expressed his strong appreciation for the Secretary's remarks, particularly the comments on balance of payments problems, defense industry development, and the relationship of Korea to the security of the rest of the world. He recognized that, while Korea improves its defense capabilities, it must at the same time develop its economy.

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MEMORANDUM OF CONVERSATION

PARTICIPANTS: President Park Chung Hee
Senior Protocol Secretary, Choi Kwan-soo

Secretary of Defense James R. Schlesinger
Ambassador Richard L. Sneider

NUCLEAR MATTERS

Noting that he had discussed the problem with President Ford, Secretary Schlesinger said that the U.S. attached extreme importance to the NPT. This entirely underscored the wisdom of the ROK adherence to the treaty which we warmly welcomed. The ROK action avoided a very serious political problem in the U.S. where major elements attached particular importance to NPT.

The Secretary added that substantively the ROK adherence to the NPT is a sound policy. The problem is not only in the U.S., but elsewhere.

President Park assured the Secretary that ROK had every intention of living up to the NPT. He explained the comments reported by Bob Novak. Novak had questioned him on what the ROK would do in case the U.S. nuclear protection was removed. Park had replied that he did not think the U.S. would remove its nuclear umbrella.

On the other hand if he said nothing, it would be a blow to the morale of the Korean people. He again assured the Secretary that the ROK would live up to its Treaty obligations.

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With PORTIONS EXEMPTED
E.O. 12958 Sec. 1.5 (a-b)

MR 94-143, #19 OSD Lt. 1/11/96

By KBH NARA, Date 3/12/96

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Secretary Schlesinger commented that it would be best

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President Park expressed agreement with the Secretary's views.

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U.S. COMMITMENT

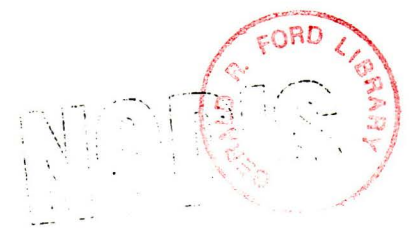
Secretary Schlesinger said that President Ford is unequivocal in his support of Korea. This view goes back to 1950 when President Ford was angered by the previous withdrawal of U.S. forces. In fact, pressures to reduce the U.S. overseas deployment in Congress have weakened. There was no effort during the 1975 Congress nor is one expected in 1976. The next effort to legislate reduction of overseas deployment, he expects, would be in 1977. The secretary said he is not concerned either about such efforts. He expects President Ford to be re-elected, but if not the Democrats are not likely to eliminate U.S. support for South Korea. As an example of the change of opinion in the left of the U.S., he cited Senator Eagleton's recent statement.

One of the lessons of Vietnam is that the left now understands the illusion of U.S. withdrawal and that the Paris Peace Accords would bring peace. They now understand that if the balance of power shifts the Communists will act aggressively. This lesson is specifically relevant to Korea.

U.S. COMMANDERS

President Park asked as a special personal favor from President Ford that General Stilwell and General Hollingsworth be retained for another year in Korea. He praised their contribution to Korea's defense and urged that they not be shifted during the next year which could be critical. Secretary Schlesinger said we have no intention of moving General Stilwell until his age of retirement at sixty and took note of the President's request with respect to General Hollingsworth.

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In his closing remarks, Secretary Schlesinger praised the political will he had found in Korea for defense of its country. This will was needed in Vietnam and Europe, but there is no need to instill it in Koreans. It is the ultimate source of strength for the Republic of Korea.



MEMORANDUM OF CONVERSATION

PARTICIPANTS: Minister of Defense, Suh Jyong-chul
 Director of Joint Chiefs of Staff, Lt Gen Yur Pyong-hyon
 Assistant Minister for Installations and Logistics, Maj Gen Paek Sok-chu
 Secretary of Defense, James R. Schlesinger
 Principal Deputy Assistant Secretary of Defense, Amos Jordan
 Deputy Assistant Secretary of Defense, Morton I. Abramowitz
 Military Assistant to Secretary of Defense, Maj Gen John A. Wickham

TIME & PLACE: August 26, 1975, Minister Suh's Office

Minister Suh:

I appreciate the encouraging remarks that you made in the meeting this morning. During that meeting, we covered all essential areas, and, in fact, left almost nothing for us to discuss now. But there are five subjects which I would like to take up with you this afternoon.

U.S. COMMITMENTMinister Suh:

First, I would like to mention the U.S. commitment to Korea. This morning we talked about your commitment to Korea and deterrence against the outbreak of the war. I appreciated your strong statements and believe they should be included in the joint communique, so that the Korean people can gain as much encouragement as I have. As I said this morning, if we receive enough appropriate aid from the U.S. we can take care of the fighting on the ground. By appropriate aid, I mean fire power, including tactical nuclear weapons, air, and logistics support. Since our naval and air forces are inferior to that of North Korea we need U.S. air and naval support. We have a dedicated armed force of 600 thousand men, 2 million reserve soldiers, plus a population of 35 million. We are united and will not give up one inch of territory.

As you know, China and the USSR have bilateral military alliances with North Korea. They are located close to North Korea and can send support rapidly to Pyongyang in case of war. Thus we expect rapid countermeasures from the U.S. in case of war. We need reassurances from the U.S. in case of war. We need reassurances from the U.S. so that there is no chance of miscalculation on the part of North Korea.

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MR 94-143 #20, OSD Ltr 6/15/05

BY del NARA DATE 7/24/04

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What I said about taking care of the ground war ourselves does not mean that we do not need the Second Division. The Second Division is a firm deterrent against war, especially from the standpoint of the USSR and China. U.S. forces must continue to be stationed in Korea at the current level.

In this regard, I would like to raise the question of the defense of the Northwest Islands. They are so located that Kim Il-song may be tempted to probe our common resolve in this area. We feel that in the initial stage in any war we must act clearly and steadfastly so that we demonstrate our resolve. Currently, General Stilwell and I are reviewing the defense of the Islands. He is awaiting, however, a political decision from higher authorities. So far he has not received this decision. I hope that the occasion of your visit will furnish a favorable response on this question.

It is easy to think of the Islands as being distant and local in nature, but they are important. The initial reaction to any aggression in this area is vital. You should not let the North have any doubts about your commitments. If we fail to react during the initial stages of aggression, we will see serious repercussions.

It is also important with regard to the U.S. deterrent to increase joint training exercises. Such exercises will help forestall any miscalculations from the North. For example, elements of the Seventh Fleet could engage in joint exercises with the ROK Navy. Such exercises as FOCUS RETINA could also be intensified.

Secretary Schlesinger:

As a general observation, I would say that we have strongly reinforced our deterrent in recent months. Given the present political climate, neither China nor the USSR is concerned about our troop presence. We cannot tell for certain how long this climate will continue, but if I had to guess, I would say that China would continue to be worried about the USSR and would see the U.S. presence in Northeast Asia as a counterbalance against Moscow. Peking would thus not be inclined to join in any action against the U.S. in Korea. The Soviets seem to be interested in detente. We should, of course, be alert for any changes in this climate; but for the time being it appears that it will continue for some time to come.

Neither China nor the USSR has given any overt sign of supporting North Korean ambitions. Of course, absence of overt signs is not necessarily conclusive, and there could be covert support. Nevertheless, I do not believe China is inclined to aid North Korea because of the need for U.S. presence in the area as a counterweight to the Soviet Union. Kim Il-song, during his visit to Peking evidently found that China not only refrained from supporting a move against the South, but discouraged such a move. It is hard to judge Soviet intentions over the long run. For the immediate future, however, we should worry not about encouragement to Pyongyang on the part of China or the Soviet Union, but about the problem of North Korea running amok on its own.



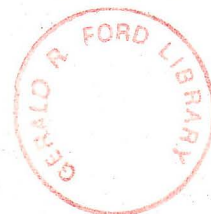
The heart of the problem, then, for the immediate future is North Korea. Deterring North Korea depends on two things: the state of our forces and Pyongyang's perception of the adequacy of our logistics. The state of our forces needs improvement. The perception by the North that those forces can not only defend the South, but can also inflict damage on North Korea will preserve our deterrence. We must have sufficient munitions on hand and be ready to move in more by air. We must keep up open lines of communications. This is one aspect of the complementarity that I spoke about this morning. It presents no difficulty in my judgment. We can keep the lines of communication open. North Korea will not act to interfere with U.S. shipping. It would be our responsibility to provide these supplies and to keep open the lines of communications.

In addition, in the event of major aggression across the DMZ our reaction would be covered by the inherent powers of the U.S. President in light of the presence in the area of U.S. forces. Moreover, under the terms of the mutual defense treaty, we would be prepared to take appropriate action, including the deployment and employment of tactical air units. With respect to what I said about the inherent powers of the President, I am not sure it is advisable to publicly advertise this point. This could lead to criticism in the Congress concerning this issue.

This brings me to the consideration of less direct, more ambiguous challenges which require lesser action to insure deterrence. The Minister mentioned exercises. I think we should move in the direction of greater exercise activity. For example, U.S. air units could come to Korea for exercises. These could be useful because they would be visible and would be factored into the calculations of North Korea, China, and the Soviet Union.

With respect to the offshore islands, these present a less clear-cut problem than a move across the DMZ. I have discussed this issue with the President. He said that the U.S. would object strongly to any North Korean action of this type. However, as opposed to a major aggression across the DMZ in the face of U.S. forces and in the face of our treaty commitment, there would be constitutional problems in our making an advance commitment with respect to the islands. We will have to explore with the ROK what are the options and how we might respond to moves against the islands.

We must continue to develop all options in this area. We must develop joint contingency plans. We will reinforce General Stilwell's own inclinations to plan jointly for the defense of the islands. Since this is a more difficult area for us constitutionally, circumstances will have to determine the implementation of our plans. Such circumstances will include the question of exactly how aggression occurs. We would be best served in this regard if the fact of aggression can be clearly demonstrated to the Congress and the American public. We would hope, in this regard, that the ROKG will act with discretion and not be perceived by the U.S. public as acting precipitously. In the meantime we should proceed with a build-up of the islands' defense so that the North would view a move against the islands as being excessively costly.



With regard to deterrence in general, it may be desirable for me to restate our position on U.S. forces. We plan no adjustment in forces in Korea in the period immediately ahead. I must explain what I mean by "immediately ahead". Sometimes this phrase is misinterpreted to mean that some changes will take place after the immediate future. We do not plan any fundamental changes in U.S. support. Over the long run, we may make some adjustments to advance future complementarity. Such adjustments would in fact be aimed at strengthening deterrence, e.g., the NIKE-MERCULES adjustments. We should feel free in our partnership to make those adjustments which are necessary for efficiency. Such changes do not symbolize any change or weakening in deterrence. If necessary, we could take simultaneous steps to make it thoroughly clear to North Korea that our adjustments were aimed at reinforcing deterrence.

Minister Suh:

I understand your strong statements reiterating your support and the continuation in U.S. policy. However, we are concerned that in the event of major aggression by North Korea the U.S. would have to go through various time-consuming processes. There would be communications between General Stilwell and yourself; the question would be referred to Congress. And while all this was going on, our capital, which is only one hour's drive from the DMZ, would be endangered by a lightning war. We believe that the UNC Commander, who also has operational control of our forces, should be vested with the authority to do something immediately to blunt major aggression and only then have to submit to the various procedures required by U.S. law.

Secretary Schlesinger:

Mr. Minister, you are dealing with a theoretical and not a practical problem. There is no question in my mind as to what the President would authorize to be done in the case of major aggression. I believe the reaction would be immediate.

Minister Suh:

We have no doubt of that with regard to an attack across the DMZ, but such a response should also be the same with respect to the offshore islands. Kim Il-sung is no fool. He knows about the treaty and about your statements of support, but he may ask, as a result of Vietnam, whether this commitment is reliable. He may be inclined to attack the islands in order to test the U.S. commitment. If U.S. planes and ships do not immediately participate in the defense of the islands, Kim may think the U.S. might not participate in the defense of Seoul. Therefore, the U.S. must react instantaneously in the event of an attack on the islands. You must remember that OPCON of the UN Commander applies to the ROK in its entirety, including the islands which are under the military control of the UNC.



General Stilwell and I have visited the islands together. We have agreed that they can be defended against surface attack. They are more vulnerable to attack from the air. An air attack on the islands would justify a strong demonstration of joint U.S.-Korean action at the initial stages.

Secretary Schlesinger:

In the event of a move towards Seoul across the DMZ, U.S. forces would come under immediate threat. The President in such a situation can authorize General Stilwell to react in self-defense. There is no problem of constitutional authority in such a situation. The islands present a different situation. I am aware that if Kim Il-song took the islands it would be a psychological blow to Korea and might also embolden him to move across the DMZ. Therefore, we must be prepared to deal with this problem. The islands are part of Korea, like Seoul, and must be defended. The circumstances differ however from an attack across the DMZ. As I have said, we cannot make an advance commitment in the case of the islands. We can, however, plan together and our response to an attack on the islands should be firm. We must in the future undertake a discussion of the nature of our response.

Minister Suh:

What would you think of the idea of sending a small UNC liaison group to the islands? There are already small UNC combat support teams with FROKA. Such a liaison group could maintain communications between the island and UNC and could aid in ground-air communications.

Secretary Schlesinger:

I think the Minister has laid bare this problem. It is clear that the islands are a potentially vulnerable area and that we must work together in planning their defense. I will discuss this matter with the President, and in a general review of the issue, the suggestion the Minister has just made with regard to a UNC liaison group will be examined. I urge, in any case, that you not be unduly concerned. This is not a problem that would be referred to Congress. U.S. action would be firm and speedy, and the issue would not be submitted to Congress for debate.

Minister Suh:

I would like to go over a few of your points. It is my understanding that there will be no changes in the level of U.S. forces in the foreseeable future. Concerning the exercises, I understand that you have endorsed the idea of increasing them.



Secretary Schlesinger:

On the force issue, we plan no changes of a fundamental nature. There might be some changes in detail, but none of a fundamental nature. This is the President's decision. Of course, the subject could be reopened by 1977, but I do not think any successor administration would take steps to weaken the U.S. commitment to Korea.

MOD AND FORCE IMPROVEMENT PLANS

Minister Suh:

The second subject I would like to discuss involves the MOD plan and the five year force improvement plan. We appreciated your statements this morning that you will do your best with regard to these plans. I would like now only to reiterate our need for the unfunded portion of the MOD Plan, that is, \$460 million dollars. We hope that this will be funded by FY-1977 at the latest.

Secretary Schlesinger:

That certainly is our intention. We will be seeking credit to the extent that grant aid is not available. There have been shortfalls in the MOD Plan, but we have made substantial progress. You should not lose sight of this progress.

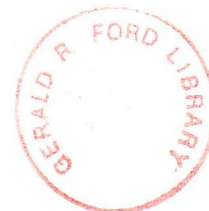
Minister Suh:

This morning you endorsed the general direction of the force improvement plan. I would like only to emphasize our need to alleviate our foreign exchange problem. We estimate that during the five year period we will need \$1 billion dollars of FMS credit.

Secretary Schlesinger:

I would like to bring up some specific issues in equipment. In FY-77 we will transfer the NIKE-HERCULES battalion to the ROKG. We are seeking to make this transfer essentially costless to the ROKG. The Army has posed a package of 7 and one-half million dollars. We think this would be the upper limit and will try to make it less.

With respect to air, the U.S. of course, provides a complementary force. We are prepared in any case to move ahead with the F4's and F5's in reflection of the desires of the ROKG. Over the longer run we will examine upgrading close air support, for example, the A-10, but this is subject for later discussion.



Regarding the force improvement plan, we have noted certain items which we do not believe have high priority. For example, we have noted submarines. These are expensive and in view of North Korean land communications lines, do not seem particularly useful. They may reflect some tendency to seek a mirror image of North Korean forces. As for your lines of communications, we can keep them open. North Korea sees some use for submarines to try to interdict your lines of communications, although I think they are mistaken. In any event, from the ROKG standpoint, submarines should have a low priority.

On the question of foreign exchange I can not give you a definite answer but have taken note of your desires and we will do our best to meet them.

One additional item. As I said this morning, the Vietnam cloud has had some silver linings, and one of them is the possibility of equipment spill-out. We are ready to make available to you about 18 A-37's on an as-is where-is basis at very low cost. We are also prepared to provide 2 F5A's and, at no cost, a number of O-1's. Our MAG people will discuss the details of this equipment with your people.

Minister Suh:

I have heard that there are 21 F5-E's available. Aren't they included in what you are offering?

Secretary Schlesinger:

They are not part of the package.

Minister Suh:

I must go back to reiterate that the 1 billion dollars of FMS credit needs your strong support.

Secretary Schlesinger:

The billion dollar figure has registered.

WAR TIME LOGISTICS SUPPORT

Minister Suh:

My third topic is the issue of war time logistics support. We are concerned about war reserve munitions. We are authorized a 45-day supply. We are now short about 70 thousand tons. We would also like to authorize war reserve munitions for 10 additional reserve divisions. This would require around 90 thousand tons. Thus we have the need for an additional 163 thousand tons of additional WRM.



Secretary Schlesinger:

As I said this morning I regard logistics support as an item of highest priority because the strategy of blunting drive towards Seoul. We therefore, should closely examine what our requirements are. It is our intention to support the ROKG in this area to the greatest extent possible. We are operating however, under legislative restrictions in this area-- the so-called Kennedy amendment to the foreign assistance act. We are attempting to have this legislation changed.

Minister Suh:

I would like to refer to the Quick Trip plan. In accordance with this plan, the first arrivals of supplies would occur on D-Day + 45. This is not realistic. This plan needs revision.

Secretary Schlesinger:

You are right. We need a quicker trip.

Minister Suh:

The first shipment should arrive on D-Day + 10. If this is not deemed possible, a 60 day supply of material should be prepositioned in Korea. The management of such material would be a mutual ROK-U.S. possibility, while we would provide the storage facilities.

Secretary Schlesinger:

I agree with the thrust of what you have said. We must review the situation in order to insure a rapid flow of materiel. When I reviewed our position on this issue in Honolulu I was not satisfied with where we stood, at least where anomalies and contradictions in our planning for logistics. We will straighten this planning out.

Minister Suh:

I appreciate your comment. I appreciate your comment.

Secretary Schlesinger:

We both agree that our logistic plans should be consistent with our strategy.



DEFENSE INDUSTRIES

Minister Suh:

My fourth topic today concerns defense industries. We hope that your support in this field will continue especially in electronics and guided missiles. We will need technical data and training. We must also study the possibility of a division of labor in defense industries between the U.S. and the ROK. There are some things which we could produce more economically than you in view of our low labor costs, e.g., M-60 tanks, helicopters, and light aircraft. We might also cooperate in the field of arms sales. Items which are no longer produced in the U.S. could be manufactured and exported by the ROK, subject to U.S. approval.

Secretary Schlesinger:

I don't think we can resolve these matters in detail at this moment, although in general we would be prepared to be cooperative. You have requested technical assistance in propellant manufacture for the reloading of NIKE missiles. We are prepared to proceed in this direction. We are also prepared to give sympathetic consideration to the production of items no longer manufactured in the U.S. In general, however, we would want carefully to review defense production in Korea and the whole question of the division of labor. We would view the Korean role to involve items not at the high technology end of the spectrum.

We are prepared to provide a team of experts to consider what should be done in the missile area. We are prepared to sell PGM's to Korea, some of the laser guided weapons, which will enhance your weapons capabilities.

Sorting out those areas in which Korea has a comparative advantage represents a considerable undertaking. We are prepared to proceed to a review of this matter on a cooperative basis.

U.S. BASES IN KOREA

Minister Suh:

My fifth and final topic is the question of U.S. strategic bases in Korea. Last year I raised this matter with you when I visited the Pentagon. We offered Cheju Island as a site for a U.S. base and said that the ROK would provide the real estate and share expenses. Now, given the situation in Southeast Asia with Thailand and the Philippines advocating a withdrawal of U.S. bases and the possibility that Japan might do likewise, our offer of Cheju Island is even more timely.



Secretary Schlesinger:

We much appreciated your offer and will take it under careful advisement. Regarding Thailand and the Philippines, it is evident that they either were not entirely serious about U.S. withdrawal in the first place or are now having second thoughts. As for Japan, we can not rule out the withdrawal possibility, but will be in a better position to judge this matter after my talks later this week with the Japanese.

I should point out that military construction is a very difficult area as far as funding is concerned. You know that Senator Mansfield is chairman of the Senate subcommittee in charge of this area. New base acquisitions therefore must be relatively costless.

SCMMinister Suh:

What do you think about the timing of next year's SCM?

Secretary Schlesinger:

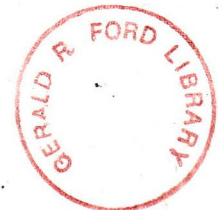
We can leave the details of the time and exact place to an exchange of correspondence. We will of course be the hosts.

NUCLEAR MATTERSSecretary Schlesinger:

I think that at next year's SCM we probably want to discuss the fundamental question of nuclear deterrence. We want to examine the role nuclear weapons can play and cannot play. The U.S. Government has already welcomed the ratification of the NPT by the ROKG. The question of non-proliferation is of great significance both in strategic and political terms. One finds the deepest and most persistent concern regarding this problem in Congress. Thus the ratification of the NPT helps us enormously in our relationships with Korea. It is also of great importance to the Japanese, who are very sensitive about this issue. If the ROKG had decided to move ahead with nuclear weapons development, it could have undermined the basis of our political relationship. Thus, I endorse the politically sound decision you have made. We discussed the issue of "complementarity". Strategically, nuclear development is an area in which complementarity is necessary and desirable.

Minister Suh:

I greatly appreciate the useful and lengthy talk we have had this afternoon. I am very happy to have had this exchange of views which was frank, straightforward, and most informative.



Secretary Schlesinger:

I am grateful for the extended amount of time you have devoted to our talk this afternoon and I agree that the exchange was very helpful.

