MEMORANDUM OF CONVERSATION

PARTICIPANTS:

Honorable Park Chung Hee, President Honorable Choi Kyu Ha, Prime Minister Honorable Park, Tong Jin, Foreign Minister Honorable Suh, Jyong Chul, Minister of National Defense General Ro, Jae Hyun, Chairman, Joint Chiefs of Staff Cha Ji Chul, Chief of Security Kim Chung Yum, Secretary General Honorabie Kim Yong Shik, Ambassador to the United States

Honorable Harold Brown, Secretary of Defense Honorable Richard L. Sneider, Ambassador to the Republic of Korea

General George S. Brown, Chairman, Joints Chiefs of Staff Honorable David E. McGiffert, Assistant Secretary of Defense (International Security Affairs) General John W. Vessey, Jr., USA, Commander, US Forces Korea Mr. William H. Gleysteen, Jr., Deputy Assistant Secretary of State (HASP)

TIME & PLACE: Blue House, 25 July 1977, -- 1100 Private Session Between President Park and Secretary Brown

THE US SECURITY COMMITMENT

The Secretary said that President Carter had asked him to reiterate our security commitment and to bring a letter which he handed to President Park.

DIVISION HEADQUARTERS AND TWO BRIGADES

The Secretary informed Park of President Carter's decision to leave the division headquarters and two brigades until withdrawal of the final increment. This would mean 6,000 men were to be drawn-down by December 1978, an additional 9,000 by June 1980, and the final group in 1981-1982. with the timing of the last increment to be determined depending on later decisions. President Park expressed his pleasure at the decision but questioned whether we could keep the bulk of the 2nd Division in Korea after the earlier withdrawal of 15,000 troops. The Secretary reassured him that even after these 15,000 spaces were withdrawn, over 1/2 of the 2nd Division forces would be able to remain. President Park asked General Vessey if he could cope with the results of such withdrawal. General Vessey indicated he would have to look at it and see what sort

of structure could function. President Park suggested that KATUSAs might be used to fill out the division structure. An alternative would be to attach a Korean unit to fill out the remaining two US brigades.

THE COMBINED COMMAND

The Secretary said that we thought it essential to establish the Combined Command before the first withdrawal was completed. He said that our staffs must refine the terms of reference and work out other details, for example what forces should be assigned to the Command in peacetime versus wartime. He mentioned that the Combined Command should participate in our military exercises.

ADDITIONAL SECURITY ASSISTANCE

The Secretary said he wished to be very clear about our determination to leave the ROK in a strong security posture as we withdrew our ground combat forces. In this light we were considering additional security assistance which would have to take account of both ROK and US needs, as well as problems of phasing, training, and maintenance capability. Additional assistance would also require Congressional approval. On the basis of discussions so far, it was clear we would have to undertake a program of careful educational efforts and maintain some flexibility as to the timing of our requests to the Congress. Secretary described three parts to the assistance program we had in mind. First, we would continue regular FMS credit sales at about the \$275 million level requested this year, at least through FY 1981. Second, we would transfer to the ROK at no cost appropriate items of Eighth Army equipment including two improved Hawk Battalions, an Honest John Battalion, 90 UH-1 helicopters, 126 TOW's, field artillery, and two battalions of engineer equipment. We would approach the Congress for legislation with some flexibility to permit this transfer. Third. we would request additional FMS credit financing over and above the already planned levels to help take account of our ground force withdrawals. The Secretary explained that he had in mind roughly \$500 million in free transfer of equipment, \$300 million in addition FMS which, together with four years of already planned FMS, would bring its total of the planned program to approximately \$1.9 billion. We would probably have to adjust this program in light of Korean reactions and the situation in Congress. The Secretary was not certain if it would be better to seek legislation this year, next year, or in both years.

COMPENSATORY MEASURES

President Park pointed out that peace in Korea was kept by the presence of US forces, and that any withdrawal would necessarily change the delicate military balance. Thus, such a withdrawal should be accompanied

by compensatory measures and these should precede or at least parallel the actual withdrawal. They should be 100% complete before the third and final withdrawal took place. President Park asserted that in May, General Brown and Mr. Habib had agreed to this. It was most important for all to perceive that the withdrawal had not in fact changed the military balance. He also stressed the essentiality in his mind of identifying actual items and quantities of equipment for transfer to the ROK rather than dollar amounts. If we could agree on the equipment requirements, the ROK would want to obtain as much as possible by free transfer from Eighth Army assets, by FMS credit purchases, or by cash purchases in that order. The Secretary responded that he accepted the principle that our compensatory measures should proceed in parallel with our withdrawals, but said he could not assure the President that they could all be completed before the withdrawals. For example, our forces remaining in Korea would need to use their equipment while they were still there, and there would also have to be a period of time for training of ROK forces. We would, nevertheless, do our best to phase the process with our withdrawal pattern.

AUGMENTING TACTICAL AIR IN ROK

The Secretary informed President Park that we believed the remaining combined presence of US and ROK forces would be adequate but that in recognition of his concern for deterrence we would increase the number of our tactical aircraft in Korea from 60 to 72. The 12 additional aircraft will be brought in from outside the Western Pacific.

INCREASED EXERCISES

The Secretary said we would increase the length, frequency and size of our military exercises as well as the number of temporary deployments to Korea. He mentioned that we would be assigning AWACs to Kadena, and this would be available for coverage of the Korean peninsula.

ARMS TRANSFER POLICY

The Secretary commented that our policy would allow us to accommodate the ROK's need on a case-by-case basis. We were prepared to support ROK needs for various kinds of advanced weaponry and would be prepared to include a reference to this in the Joint Communique following the SCM. Among those weapons which we are prepared to consider are the F-16 (available in 1981-82), but the ROK may still wish to examine alternatives. In any event, we would be prepared to release technical data on the F-16. Other weapons which we are prepared in principle to provide are Improved Chaparral and coproduction of the Vulcan gun. The Secretary noted, however, that we had not approved coproduction of the F-16 or Improved Chaparral. He stated that we are also prepared to consider providing

A-10 aircraft, but cautioned the ROK to keep in mind that there might be other possibilities for filling this requirement.

ASSISTANCE TO DEFENSE INDUSTRIES

The Secretary stated we were prepared to be helpful within the context of our arms transfer policy. We wish to help the ROK in the areas of artillery and ammunition manufacturing.

ECONOMIC QUESTIONS

President Park concluded his comments with a request that Secretary Brown urge President Carter and the US Government to support the ROK's sustained economic development. He was concerned that there might be further restrictions on Korean exports, and these would affect Korea's ability to maintain its economic development and take on additional burden of force improvement caused by our force withdrawa's. He said he was not asking for additional economic assistance, only that the US impose no further restrictions, encourage investment, and continue economic cooperation. The Secretary agreed to speak to President Carter noting, however, that we do not have in mind further restrictions and fully recognize the importance of Korea's economic development.

COORDINATION:

Director, East Asia and Pacific

Region (ISA)

APPROVED BY:

Assistant Secretary of VDefense (ISA



National Security Archive,

Suite 701, Gelman Library, The George Washington University,

2130 H Street, NW, Washington, D.C., 20037,

Phone: 202/994-7000, Fax: 202/994-7005, nsarchiv@gwu.edu