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November 8, 1978

MEMORANDUM OF CONVERSATION

PARTICIPANTS: United States

Honorable Harold Brown, Secretary of Defense
Honorable William H. Gleysteen, Jr., Ambassador
to the Republic of Korea
General John W. Vessey, Jr., USA, Commander, U.S. Forces, Korea
Honorable David E. McGiffert, Assistant Secretary of Defense
(ISA)
Mr. Michael Armacost, Deputy Assistant Secretary of Defense
(ISA)

Korea

Honorable Park Chung Hee, President
Honorable Ro, Jae Hyun, Minister of National Defense

TIME and PLACE: Blue House, November 7, 1978 10:30-11:30 a.m.

1. President Park opened the meeting with warm greetings and an exchange of pleasantries followed, including a discussion of the fog conditions which caused Dr. Brown's late arrival in Seoul on the 6th and resulted in a cancellation of his planned visit to a Korean armored unit. There was an agreement that governments cannot be responsible for the weather and an emphasis by Dr. Brown that the hospitality of Minister Ro more than made up for the difficulties the fog might have caused.
2. Dr. Brown said that he had spoken with President Carter just before leaving the States, that the President had just returned to Washington from a two-day campaign trip, tired but happy. Dr. Brown said that President Carter had sent his personal greetings to President Park and a letter which he would deliver later during the meeting.
3. Dr. Brown said that in thinking over the events that had transpired since he and President Park had last met, he felt that both of our countries have a good deal of which to be proud and satisfied. He emphasized his personal satisfaction with the general state of our defense relationship and noted in particular the following points:

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o The April 21, 1978 adjustment in the withdrawal plan which displayed convincingly that we will conduct the withdrawal in a careful and prudent fashion.

o The favorable action by the United States Congress on the transfer legislation providing the ROK cost free equipment of the withdrawing U.S. units and associated training on a non-reimbursable basis. This outcome, he said, was better than he had expected and is an indication that the U.S. Congress recognizes the importance of our commitment to the security of the Republic of Korea.

o The increasing size and tempo of joint exercises involving the United States and ROK forces (most noticeably Team Spirit) and the temporary deployment of AWACS to Korea this past September. He said that he felt the Team Spirit exercise had gone very well and also noted that with AWACS stationed in Okinawa, it could be moved rapidly to the Korean peninsula in times of tension.

o The expanded U.S. support to Korea's defense industry, cooperation on the Korean indigenous tank program, revitalization of the scientist and engineer exchange program, and support for production of the 90 mm/105 mm APFSDS Tungston round. Dr. Brown mentioned Dr. Perry's report to him following his visit to Korea and Dr. Perry's belief that there is a substantial capacity and capability in Korea for industrial development. Dr. Brown also stated that he was looking forward to his trip to Changwon the following day to enable him to confirm for himself the many favorable reports he has had on ROK industrial progress.

o The formal activation of the Combined Forces Command to take place later in the afternoon which will provide a concrete demonstration of the new pattern of defense cooperation between the United States and the ROK. He said that this would signify a more equal partnership between the two nations and would certainly be recognized as such.

o Recent evidences of ROK support for our U.S. presence in a number of ways, and in particular:

oo The ROK decision to fund the cost of airfield improvements for contingency operations.

oo President Park's recent approval of a plan for construction by the Korean National Housing Corporation of 700 rental units in Seoul and 200 in Osan to house U.S. military personnel. He emphasized that this will allow longer tours for our U.S. personnel, reduce turnover and improve our efficiency.

o The continued coordination of our diplomatic efforts, most notably the U.S. refusal to deal with North Korea without ROK participation and U.S. support to President Park's appeal to the North to resume a dialogue with the South.

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4. Dr. Brown continued that it seemed to him that these developments indicate that the United States and the Republic of Korea are entering a new phase in our relationships, one in which we can concentrate on rebuilding broader support for U.S./Korean relationship. In this respect he described the debate in the Congress this past year as very encouraging. The next step is to emphasize to the American people the fact of the growing prosperity in Korea and in particular to ensure that Americans recognize the equitable distribution of the fruits of this economic progress within Korea. He noted that the rural populace as well as the poor segments in the cities are sharing this prosperity, a fact that Americans will appreciate.

5. Dr. Brown summarized the points he had made by saying that we had come through a tough year and that hopefully in the year ahead we will be free of crisis and can concentrate in both our countries on consolidating the progress that we have already made in designing a new equilibrium in our relations. He said that he understands that there are some Koreans who still have lingering doubts about the firmness of our commitment in the United States but that we are sensitive to such concerns and will continue to take steps to allay them. He also said that although we still do have some critics of Korea and of our policy on the peninsula in the United States, he is satisfied that there is also a strong and durable support for our defense commitment.

6. President Park said that he appreciated Dr. Brown's observations. He noted that since the United States had announced its intention to withdraw its ground troops over a period of four to five years, many Koreans had showed uneasiness. He felt however that the actions of the past year had shown the Korean people that the United States is working hard to maintain a proper balance on the peninsula. Of most importance in these actions is the establishment of the Combined Forces Command. He also said that the arrival on the following day of the new F-4 aircraft and the fact that Dr. Brown had come to participate in that arrival ceremony is a mark of how the United States government cares about maintaining a strong Korean/United States relationship. He referred to the recent scandals as unfortunate but said that he felt these were behind us and the time had come to normalize our relationship. He again emphasized the importance of Dr. Brown's visit as a demonstration to the world and to North Korea that the North Koreans could not take advantage of the United States ground troop withdrawal. He said that the North Koreans must know now that they cannot move against South Korea without a joint U.S./ROK reaction.

7. President Park continued by saying that he appreciated very much Dr. Brown's remarks about the Korean defense industries and their capabilities and is looking forward to Dr. Brown's visit to the industrial site on the following day.

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8. Dr. Brown said that his staff is working to ensure that he can see both the industrial facilities and also participate in the F-4 arrival ceremonies. He referred again to the new Combined Forces Command, stressing not only its practical military importance but even more its significance as a symbol of the new relationship between our two countries on the basis of a more equal and balanced partnership. Dr. Brown then said he would like to turn to some new developments and although he had gone over these with Minister Ro the day before, he wanted to touch on them at this time. He made the following points:

o We will, as President Carter indicated last April, be withdrawing 2600 U.S. troops from the ROK in 1979. The stand down of the Honest John Battalion and the transfer of its equipment to the ROK will likely occur in the spring of 1979 followed by the removal of the Brigade Headquarters, two combat battalions and smaller support elements of the 2nd Division later in the year.

o We asked our Congress for \$275 million of FMS credits for Korea in FY 1979 as well as funds for grant training in the United States under the International Military Education and Training program. He noted that Congressional action in reducing world-wide FMS appropriations by 16 percent may well force us to undertake some reprogramming and that the Korean program may be affected somewhat. He made it clear that Congressional action in this reduction was on a world-wide basis and that Korea had not been singled out for any reduction.

o The ROK may want to be rethinking the timing and the mix of aircraft purchases from the United States. The current elections in the United States will change the composition of the Congress and the leadership of key committees. We will consult with the Congress early in the new year and then determine the proper timing for signing an LOA. He confirmed to President Park that we remain ready to sell the F-16.

o We recognize the ROK government's desire to develop an indigenous Korean capability to produce aircraft. Our plan to transfer to Korea the aircraft depot maintenance facility now on Taiwan will help the ROK in gaining experience toward developing an indigenous aircraft industry. We are not prepared to approve co-production of the F-16. But Dr. Brown indicated that he would be willing to consider assisting the ROK in co-assembly and licensed production of a less sophisticated plane. Dr. Brown mentioned the A-10 as a possible candidate but said that he was not promising anything, but rather would consider recommending this aircraft for a possible co-assembly agreement if the ROK is interested.

9. Dr. Brown then said that he would be happy to answer any questions from President Park but that also he would like to get the President's opinions on the impact of recent developments in great power relations in Northeast Asia on the Korean situation. In noting that in his opinion

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these developments may well hold promise for enhancing ROK security, he cited the following points:

- o The evident cooling of North Korean/Soviet relations which may complicate North Korea's economic problems.
- o Some setbacks in North Korea's diplomatic offensive to obtain support for its position among the LDCs.
- o The emphasis in PRC policy on rapid modernization with the help of the West, thus increasing the Chinese stake in avoiding conflicts in Korea which could lead to great power confrontations.
- o Improved ROK relations with Japan.

10. President Park replied by saying that although at the Sino Japanese Treaty ceremony the leaders of the two countries stated that the result of the treaty would be a reduction of tensions on the Korea peninsula, the ROK does not agree. The ROK sees no lessening of tensions and no signs that North Korea wishes to change its policy. He said that South Korea welcomed the treaty but sees no change or lessening of tensions at all in the peninsula. He said that the Japanese Foreign Minister had told him some time ago that they were about to sign this treaty and expressed his belief that it could have a good effect for South Korea. President Park said that certainly one effect could be that the Japanese could convince the PRC to restrain the North Koreans. On the other hand, if because of the treaty North Korea should establish a firmer relationship with Japan that would worsen the ROK position. On balance then, the ROK sees no change at all following the treaty.

11. President Park referred to the recently discovered North Korean tunnel at the DMZ and said that there may be more of these and he thinks of this as another North Korean threat. He sees some good signs in Northeast Asia, among them the Sino Japanese treaty, U.S. efforts at normalization with the PRC, and the PRC's efforts at trying to modernize with the help of the United States, Western Europe, and Japan. He cautioned again that we must not let our guard down. We must watch the Soviet Union which is leery of the PRC moves toward Japan and the United States and may take it upon itself to cause instability in the area. He said that the Soviets may look for closer relations with North Korea and try to tempt the North Koreans to disturb stability in Northeast Asia. He cautioned that the PRC efforts at modernization will strengthen them and that there is always the possibility that the PRC may some day turn back to the Soviet Union. We thus must be careful not to build the PRC up too much. They are Communists. He asked for Dr. Brown's comments on this.

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12. Dr. Brown stated that the PRC is far from being a major military power now, though they have the potential to become one. As of now, he said, the PRC acts to pin down Soviet divisions on their eastern front rather than as a threat to other nations. The United States policy is to encourage economic cooperation with the Peoples' Republic of China by western industrial nations. We leave it to other Free World nations to decide on whether they should sell defensive weapons to the PRC. We discourage any sale of offensive weapons to them because we do recognize the risk of which President Park spoke.

13. President Park asked Dr. Brown if the United States plans to sell defensive weapons to Communist China. Dr. Brown replied that we do not have plans to sell any weapons to the PRC. As the meeting adjourned, Dr. Brown asked the President if they might have a short private talk which then ensued.

Prepared:

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Approved:

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