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Folder "Korea 337 1974" Box 66, 78-0011

MEMORANDUM OF CONVERSATION - SEPTEMBER 24, 1974, CINCPAC

HEADQUARTERS, CAMP SMITH, HAWAII

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PARTICIPANTS

SUH, Jyong-Chul	Minister of National Defense
W.P. CLEMENTS	Deputy Secretary of Defense
R. ELLSWORTH	ASD/ISA
Morton ABRAMOWITZ	DASD/ISA/EAPR
MG PAIK, Seak-Cho	Assistant Minister, MND
MG LEE, Hui-Sung	Director Plans Bureau, MND
COL HAN, Mun-Sik	Interpreter
Henry SULLIVAN	Interpreter

Korea 337

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Clements - Suh Memcon

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Office of the Secretary of Defense
Chief, RDD, ESD, WHS
Date: 21 Sep 2018 Authority: EO 13526 + 50x 6552
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Mr. Clements:

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MND:

Mr. Clements

I think we might start off in the general field of air defense. That is a very broad term which is often not too well defined. Presumably we have no misunderstanding between us over this term, but I would like to make sure that we are talking about the same thing, that air defense includes air to air, air to ground, etc., and that the general capability is not confined just to air to air situations. Is that satisfactory with you?

Yes.

In this regard we have a situation regarding the Nike Hercules that I would like to mention. We have underway a study within the Armed Forces on possible withdrawal of the Nike Hercules batteries. There has been no decision but the matter is under consideration. Along with our consideration of the subject, I suggest that perhaps you would want to consider whether or not you would be interested in having these batteries, that is, while we are considering our decision that you could be thinking through the same problem and letting us know your interest in the matter. I would emphasize that I am

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Minister Suh:

speaking only of the Nike Hercules conventional capability.

First of all, I want to express how deeply interested in air defense we are and in such problems as air defense missiles, including Nike Hercules. This is especially true because of the fact that the enemy has the initiative in the attack. I know that during the Middle East War that the Arabs had air superiority in ground to air missiles and that Israel suffered great losses.

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While I am concerned about defense at all altitudes, I am especially concerned about low altitude attacks, and in this case the Hawk is very important. Our Hawks are not satisfactory in terms of performance; we recognize the need for improving them and that it would be desirable to upgrade them to the improved Hawk system. However, as we said during the open session, we have many defense requirements. We have all sorts of problems and we must establish an order of priority. Of course, we recognize the need for

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additional Nike Hercules but that will mean a transfer of O&M costs to our budget. We have to make an overall judgment on the priorities we adopt. You should also be aware that this transfer would raise technical problems such as the need for trained technicians. Given all of these considerations, I hope you understand the complex nature of our problem.

Mr. Clements:

I would like to clarify specifically the degree of your interest in ~~Nike Hercules~~ and the degree of priority you assign to continuing them in your inventory, assuming US Nike Hercules units are withdrawn.

MND:

We have great interest in Nike Hercules. We feel there is a strong need for them. We have many problems taking them over, particularly with funding. At this moment it would be difficult for us to take over these batteries.

Mr. Clements:

I am not looking for an immediate answer at this time, Mr. Minister. I suggest that since you have an interest and we have a deep interest, you continue these discussions with General Stilwell and work out your views of this problem.

MND:

Let me make it clear we are interested and

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Mr. Clements:

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concerned about the Nike Hercules.

Let us ask our staffs to study the problem and see what conclusions we come to over the months. One last observation: this problem should best be looked at in relationship to the entire force structure and not an isolation. I am not suggesting that you assume any specific number. I am leaving that consideration to your own judgment. I also want to reemphasize we are still reviewing this problem and expect to reach a decision in the next 90 days or so. We hope you will be considering the problem at the same time. When we have made our review, we will want to carefully coordinate with you if we decide to withdraw, and we would, of course, have to work out the details and the timing of our withdrawal.

MND:

I understand clearly and I was speaking in very general terms. In more specific terms, we would like you to maintain your batteries in South Korea. If US policy turns out to be to stand down, then we would not like to see our capabilities diminish. We would like to maintain those capabilities. I would like to have our working committee

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Mr. Clements:

address this matter, but I hope you understand that with our limited capabilities it is difficult to reach a decision in the near future. In this connection, would it be wrong if I guessed that there is some relationship to what you have proposed and that which is suggested by the House Appropriations Committee report in regard to deactivation of the 38th Air Defense Brigade? Not really. That is a pure coincidence. Secretary Schlesinger and I have talked about our air defenses in the Continental United States for many months. We looked at what our priorities are and what we are spending on missile defense. In that light, we studied intensively the use of the Nike Hercules in the US for the defense of the United States. That, in turn, led us to look at the utility of Nike Hercules in Korea.

In this connection, I want you to know that it is true that a House Appropriations staff member has made a number of suggestions in regard to Korea which have been embodied in committee reports. I want to emphasize that these reports are not law. They are an

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expression of the Congress of that country or should not do in Korea. When I return, I will see the Chairman of the committee to explain clearly the dangers of these recommended actions.

MND:

The loss of Nike Hercules would mean a bad hole in our air defense.

Mr. Clements:

Another of the issues that had been raised by the committee staff is the relocation of the 2nd Division and the replacement of the KATUSAS. I don't think the congressional report is that critical and we should not over-emphasize its importance. I want you to know that Secretary Schlesinger, Secretary Kissinger and I are all strongly opposed to these recommendations. We want no changes in the 2nd Division. I am mentioning all this because I want to be very frank and want you to be completely aware of our difficulties.

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Mr. Clements:

I have noted that you are interested in purchasing military supplies from third countries such as guns from Switzerland. I can understand that when we do not have equipment that is appropriate to your needs or competitive, your desires in this connection. However, our defense relationship

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MND:

is very deep and purchase from a third country or large amounts of arms would be a very sensitive and a very delicate factor in our relationship. We share many problems and I would be deeply disturbed about the introduction of a third country into our relationship. I would seek your understanding and sympathy on this problem. Third country purchases would cause me great problems in Congress. There are also fundamental military problems such as standardization and commonality. Therefore, we would like to be consulted on any such plans. Such consultation would be extremely helpful.

I want to emphasize that our fundamental position is that the security of South Korea is a US/ROK joint responsibility. Therefore, we do not consider arms which are not suitable for joint US/ROK needs. That is Korean policy. Any purchase from a third country would not accommodate this plan. As you know, we have some guns under consideration for purchase from Switzerland. However, we have been in consultation with the US side on this matter. Our purchase of such guns is principally for ADD as a resource for our Research and Development. That is what I

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understand to be the nature of this purchase. If we have a definite need, and I hope there is not, to consider purchase from a third country I assure you of the greatest degree of prior consultation.

Mr. Clements:

Your answer is very satisfactory. I have no problem with it.

Mr. Clements:

I would like to point out that there might be a slight discrepancy between the communique which says "no present plan to withdraw" forces and the possible results of our review of Nike Hercules. My only comment is, that if we do decide to stand down Nike Hercules, that we will withdraw the 1500 or so Nike Hercules personnel from Korea. I do not consider this a significant reduction. It is a relatively minor adjustment and I wanted to make sure that such adjustment is clearly understood to be within the language of the communique. Your people do not want to change the language. We do not want to mislead you, and therefore I want to point out that there might be some apparent differences between the language of the communique and our possible plans for the Nike units.

END:

I understand. Thank you. We can think

of these possibilities which you mention.
We hope such changes will not occur within
the next year.

Mr. Clements:

We could very well make the decision before
the next year and very possibly in the next
3 to 6 months. But any such change in the
Nike units would be minor in relationship
to our overall forces in Korea.

MND:

I am simply expressing our desire and hopes
that because of our difficulties over
financing and in obtaining trained people
you would consider not taking the Nike
Hercules for the next three years.

Mr. Clements:

We cannot commit to that, but as I said to
you, we are reviewing the whole situation in
regards to these Nike Hercules and will
inform you shortly.

MND:

I hope this matter will receive your under-
standing attention.

Mr. Clements:

We will keep it in mind.

MND:

Thank you.

MND:

If you are finished with your items, I would
like to mention a few things that we have on
our agenda. First is the early accomplish-
ment of the Force Modernization Program.

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MND:

I UNDERSTAND THE
MODERNIZATION PROGRAM WAS JOINTLY ADDRESSED AT THE
PRIVATE SESSION DURING THE LAST SECURITY CONSULTATIVE
MEETING. DURING THE SESSION:

- WE WERE REMINDED OF SECRETARY OF STATE ROGERS'
WORD TO PRESIDENT PARK TO THE EFFECT THAT A TWO-
YEAR DELAY IN THE MODERNIZATION PROGRAM WOULD BE
INEVITABLE WHILE THE DEFINITIVE TIME LIMIT FOR COM-
PLETION OF THE PROGRAM COULD NOT BE GIVEN.
- CHIEF US DELEGATE MADE IT CLEAR THAT IT WAS US
INTENTION TO ACCOMPLISH THE PROGRAM OBJECTIVES, THOUGH
DELAYED.

- IT WAS AGREED THAT THE MAP FUNDS BE USED MOSTLY
ON INVESTMENT ITEMS AND THAT THE ORDER OF PRIORITY BE
RE-ESTABLISHED WITH STRESS ON AIR DEFENSE. NOTABLE
PROGRESS HAS BEEN MADE IN THE LATTER.

AS PRESENTED AT THE OPEN SESSION TODAY, I WOULD LIKE TO
REPEAT THAT (1) THE ROK FORCES MODERNIZATION PROGRAM
SHOULD BE ACCOMPLISHED BY FY77 AND THAT (2) THE GRANT AID
FOR \$345 MILLION SHOULD BE ALL FUNDED FOR INVESTMENT
PROJECTS DURING THE PERIOD FY75-FY77, AS RECOMMENDED
BY THE JOINT ROK/US AD HOC COMMITTEE.
WE NEED TO KNOW WHAT WE MIGHT EXPECT. THIS WOULD VERY
MUCH HELP OUR PLANNING.

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MND:

with you in hoping to accomplish the modernization program as quickly as possible.

Unfortunately, Secretary Schlesinger and I have a problem with Congress in this regard. We can propose programs, but Congress has to authorize them. Under this constraint we cannot always do what we would like to do.

I am sure, Mr. Minister, that you understand this very well. You are aware that you have the full support of Mr. Schlesinger and me for this program, and I am hopeful that the visit of President Ford will also be helpful to you. But you should be fully aware that fulfillment of the Modernization Plan within the time frame of FY 1977 is particularly difficult. I think that to be realistic the Korean Government should think of moving from grants to credits and to do everything possible to build in Korea the defense industries necessary to support the armed forces.

I understand well your problems. We are willing to make FMS/credit purchases if we can. I also see great merit in accelerating our efforts to foster Korean defense industry.

But above all, we have to consider the limits of our domestic resources. We need some period before we can move to completely self-reliant planning.

Mr. Clements:

That would, of course, be desirable if we could do it.

MND:

I would like to remind you that the remaining amount for grant aid under the MOD program is 345 million dollars. We understand your problems in meeting that amount but in view of the threat and our urgent defense needs, we hope it can be supplied early, with as much as possible before FY 77. If that full amount is not available in grants, we hope the deficit can be made up in credits, and that you will provide such FMS credits. Our requirements have been reviewed jointly by the Ad Hoc Committee which recommended priorities and source of funding. While being aware of your Congressional problems, we would hope, for planning purposes, that you could give us some idea of the funds we will get.

Mr. Clements:

I cannot tell you that right now. As we get further into the fiscal year, I will be glad to discuss it with Ambassador Han and

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MND:

Ambassador Habib will discuss it with you
and other officials in Korea.

This whole matter has been thoroughly
discussed with Ambassador Habib. We are
aware that our efforts in this regard are not
based on specific agreements but rather on
your sympathetic understanding. Knowledge
of the financial assumptions would help us
facilitate our planning. Jointly addressing
the problem and getting some agreement would
permit us to go forward with better planning.

Mr. Clements:

After the Congressional Committees have
reached their conclusions, we will be in
touch with you.

MND:

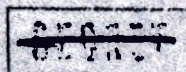
I would like to say a word about FMS credits.
The Ad Hoc Committee also discussed our
additional modernization requirements for
this period to be 500 million to be
financed either by cash or credit. We seek
your support for that amount of funds if at
all possible. We would hope for a positive
approach on your part.

Mr. Clements:

In effect you are seeking a total 845 million
dollars in the period FY 1975-77.

MND:

That is exactly right. Those are the
requirements recognized by the Ad Hoc
Committee.



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Mr. Clements:

MND:

Mr. Clements:

study. I am not able to respond at this time.

I would also hope to seek your help in respect to purchases of consumables.

For certain items not producible in country, the ROK would like to make FMS purchases. For instance, it is extremely difficult, under the existing circumstances, to procure aviation gas and special purpose lubricant by means other than FMS. For such items, we solicit positive support of FMS purchases.

We will give every consideration to these types of requirements. However, in connection with such items as petroleum, we find it very difficult to continue to supply you through FMS and I urge you to find alternate sources. Right now in the oil market demand is soft and if you can fill your storage now we strongly urge that you do it.

Previously this item was provided under MAP but since last year it has been transferred to the Korean Government. The problem is that this item is not produced in country and we have to buy it abroad.

I understand your concerns. This is really a question of supply and demand. Right now the demand is relatively soft compared to supply. In my opinion, oil will be readily

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available in the near future and in the next few months, take steps to get as much as you can. I would strongly recommend this to guard against any deterioration in the Middle East situation.

MND:

I would like now to talk about our aircraft requirements.

During the last Security Consultative Meeting, the US and ROK agreed that it was an urgent task to strengthen the air defense capability of the ROK Forces. Subsequently, the Joint ROK-US Ad Hoc Committee has been discussing the matter. In this pursuit, the ROK has been desirous of augmenting its air force with the F-4 aircraft. As you may be aware, General Stilwell and I jointly agreed to a memorandum on 5 September which recommends:

- a. One bailed squadron of F4D aircraft be purchased through FMS.
- b. One F4E squadron (18) purchased through FMS, the possibility of which has been discussed for some time.
- c. In addition to the 72 MAP F5E aircraft, a minimum of three squadrons of F5E aircraft be purchased through FMS and/or co-produced.
- d. Decision for either YF-16 or YF-17 aircraft to be purchased and/or co-produced should be made after the competitive results become available.

✓ If these agreed-on projects are accomplished as scheduled, the ROKAF would be equipped with about 330 fighter aircraft by the end of the 1970's, consisting of 3 squadrons of F4D/E

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aircraft and 12 squadrons.

half the North Korean Air Force in terms of the number of aircraft. North Korea currently has about 600 fighter aircraft.

I take this opportunity to express my sincere appreciation for the support and assistance of the US Government that has resulted in the joint position outlined in the exchanged memorandum.

I look forward to your continued, positive support in all of these efforts to modernize and augment the ROKAF. These efforts would include co-production of either F5E or YF-16/17 aircraft. I want to take this opportunity to express my sincere appreciation for General Stilwell's efforts in this regard.

Mr. Clements:

For the record, I would like to say that we have never officially endorsed the Ad Hoc Committee report or your Memorandum of Understanding. As the Minister knows, we have all these issues under consideration, particularly, the F4D bailed squadron, which you are well aware of. Some of these problems are more complex than others. Co-production of either the F5E or the light-weight fighter requires considerable planning and negotiations not only between our two governments, but also with the contractor. I want to make it clear that we understand and endorse your need for additional aircraft. I would urge our staffs to continue to examine

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air requirements. Lastly, pending decision on the production of the 16 or 17, you of course could not know what your force levels are by the end of the time period you describe. We will be pleased to continue working with you on this whole problem and offer your people every opportunity to see the lightweight fighters or any other facilities.

MND:

As you know, I had the opportunity to visit Northrop and MacDonald-Douglas and also to see the F16 and 17. I went over a detailed plan of co-production for the F5E and talked about the possibility of co-production of the F17 should that plane be the one chosen.

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All this is consistent with the review I had with General Stilwell. While I agreed with General Stilwell that the purchase of the one F4E squadron should be in 1978, I learned from MacDonald-Douglas that it would be possible to have delivery late in 1977. As for the F5E, Northrop is ready to co-produce the plane and we can with Northrop also co-produce the F17 on the assumption that it is the lightweight fighter chosen.

Mr. Clements:

That is a very big assumption on your part, but I think you would want to make a decision

on the F5E co-production only after the decision on the F16 or F17.

MND:

I want to reiterate that we would like three squadrons of F-4s, one F-4E and two F-4Ds.

✓ We are leaning to co-production of F-5Es.

Despite the higher unit costs of co-production it is important to have such a productive and servicing capability in country.

Mr. Clements:

I agree with that concern. Conceivably you may want to make a firm decision to secure the additional F-5Es regardless of your decisions on the purchase of the F-4E

squadron. The F5E is an excellent airplane.

It is much cheaper and you can reach agree-

ment with Northrop to produce it quicker than any other alternative. I also want to remind you that the cost of the F5E will be half the cost of the 16 or 17.

MND:

Thank you for your comments. We will come to a decision on F5E co-production soon, but our decision is based on the assumption that you agree to the projects agreed to by General Stilwell. Our decision on the F16 or 17 would be based on what the US Air Force does and I have extreme confidence in the US Air Force.

Mr. Clements:

That confidence is well justified.

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MND:

like them on a grant basis but we are prepared to buy them.

Mr. Clements:

We have the matter under consideration and will be in touch with you shortly.

MND:

Because of the language barrier, I was not quite sure that I understood what you said about the F4D bailed squadron. If something cannot be done by the end of May, I would hope there would be a possibility of your not taking the plans back after May.

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Mr. Clements:

I will certainly be back in touch with you before May, possibly within the next month.

MND:

It is my understanding that during my conversation with Mr. Schlesinger he indicated that he would resolve the matter to the interest of the ROK.

Mr. Clements:

I told Secretary Schlesinger of my discussion with you on this matter, and he said we would, as he told you, give every consideration to your request.

MND:

Then I can say I am satisfied.

Mr. Clements:

General Stilwell and Ambassador Snider will be back to you within the next month or two. I don't think you have to worry.

MND:

Then I can report to President Park satisfactory results.

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Mr. Clements:

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MND:

I don't want to preempt this situation and
I do not want to say anything more at
this time. We are reviewing the situation
and I will be back to you.

I would like to talk to you about the early
delivery of combat essential equipment,
mainly CPIC and Harpoon.

As you are aware, north Korea has frequently perpetrated
acts of provocation on the east and west sea of Korea. This
can be attributed to the relatively inferior maneuverability and
firepower of the ROK Navy, causing an imbalance of sea power.
As a countermeasure against north Korean speed boat infiltra-
tions, the ROK and the US jointly started the CPIC construction
project three years ago. Currently, no prototype has been
completed yet. According to recent information the sea trial of
the prototype should be completed toward the end of the year
rather than in September as previously scheduled.

In view of the serious threat on the sea, we seek your
special consideration. We would hope that action is taken to
make raw material and component parts available on a timely basis
so that the projected number of craft may start to be constructed
as soon as the sea trial of the prototype is completed.

We also hope that action can be taken to provide the ROK
Navy with suitable ship-to-ship missiles to deal with STYX
missiles installed on the north Korean OSA/KOMAR speed boats.

I would like to express my appreciation for the special

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arrangements for the ROK Navy to procure four Standard ARM missile systems through FMS credit and cash. These missiles are for the PSMMs.

With respect to the Harpoon missiles, it is our understanding that substantial quantities are now being procured by the US Navy as development tests are over. We seek your favorable consideration so that the ROK Navy requirements for Harpoon missiles may be met at an early date on a priority basis.

MND:

After I visited with MacDonald-Douglas, I was informed that all tests can be completed by 1975 and that the Harpoon would be in production by 1976 and that we could receive delivery by 1977. I seek your help and support in accelerating this delivery schedule to us by one year. You will recall that North Korea has 18 OSA/KOMAR boats. That is a great threat. You have offered us the standard missile and we thank you for this, but there are some deficiencies in the standard missile.

Mr. Clements:

Do I understand that you do not want the standard missile?

MND:

No. We want the missile and the contract has been signed. We also want the Harpoon. We have been talking about 6 harpoons per craft but we need 120 missiles for 12 craft.

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Mr. Clements:

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We are sympathetic to the CPIC program and we want to assist you in every way we can. CPIC has been a cooperative effort on both our parts. We have had many problems but it is a good program. We want to help in every way we can, and I urge that our staffs continue to work together on it. We would also like to make the Harpoon available to you as soon as possible, but I am not sure we can accelerate the delivery by one year. The program is going well and we are now in the testing and evaluation process. We will have to study whether we can move forward delivery by one year. I don't know. As the program gets further along, we will advise you further.

MND:

I would like if possible to have a part of US requirements diverted to us.

Mr. Clements:

We will study the issue. After the missile is in production we can talk about it next year.

MND:

Our philosophy is that deterrence is best. Having the Harpoon will send a strong signal to North Korea that they should not make any miscalculation.

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Because the time is late, why don't I just skip the explanation for the next item and you say "yes".

Mr. Clements:

I think we'd better have the explanation.

MND:

We need the capability to counter North Korean submarines. The North Koreans now have eight. We want to develop an ASW capability, but we have no submarines.

Two submarines are included in the consolidated priority list of the Ad Hoc Committee.

I hate to talk about third countries but the Republic of China has two submarines.

Mr. Abramowitz:

What is the priority the Ad-Hoc committee assigned to the two submarines?

MND:

It was 61. That is not very high. It is not high because your side did not want it high, not our side.

Mr. Clements:

I want to impress upon you that submarines are a very expensive item. If you are thinking of their use as training aids you also have to think further in terms of ASW systems.

MND:

We have DD's and S-2's but we have no hopes of conducting ASW training without submarines.

Mr. Clements:

Let's consider this problem and come back to it later. Maybe we agree and maybe not.

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MND:

Perhaps we will suggest a better option. It is possible that your DDEs could train with our units in the vicinity as a training exercise. That kind of training could relieve you of the need for two submarines, which are exceedingly expensive. Let us study the issue and come back to you.

I understand your point. There is a difference in results of training with submarines and that without submarines. North Korea has 8 and we have none. This could be an incentive for North Korea. We want to let them know that we, too, have submarines.

Mr. Clements:

We will be in touch on this.

MND:

Because of the lateness of time I will not explain the next item but just give you our talking paper. (Paper reads as follows:

Support for Co-production and/or Joint Venture

In order for the ROK to attain self-reliant defense capabilities, development of defense industry is required. In fostering defense industry the positive cooperation on the part of the US Government and US civilian business firms is required.

In this connection, such co-production projects as M-16 rifle production, ammunition arsenal expansion, AIM-9 modification, PSMM construction, and PRC-77 radio production have been in

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orderly progress on account of the positive cooperation of the US Government and civilian business firms concerned, for which we are grateful.

The ROK desires to undertake additional projects in the future, such as establishment of a missile maintenance depot, upgrading of the M-48 tank, co-production of M-60 class tank, tactical radios, fighter aircraft, helicopters and Vulcan fire control equipment.

US support including FMS credit is solicited in furthering these efforts.

b. Exemption from Royalty in Weapons Production

We appreciate being provided with valuable technical data of equipment on hand in the ROK Forces.

With these technical data provided, the ROK has been able to produce prototype weapons, on which the ROK has been requested to pay 5% royalty.

All of these prototypes are World War II vintage weapons and some of them are no longer in production in the US. Accordingly, it is our understanding that the patent right is now transferred to the US Government.

We are in transition from grant aid to self-reliance in our defense efforts. In view of the difficult situations facing the ROK, we hope that the ROK be exempted from royalty payments for incountry-produced weapons and ammunition.)

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Lastly, I would like to refer to possibly increasing your Air Force in Korea, more specifically by basing them in Cheju Island.

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Mr. Clements:

MEMO:

Mr. Clements:

Moving some of your planes from Japan to Cheju would increase deterrence and contribute to the security of Korea and the Far East. The Korean Government is prepared to assume the cost of part of the ground facilities and provide real estate without charge for 10 to 15 years. This proposal I think has great merit since US bases in Japan are in densely populated areas and perhaps difficult to use in contingencies. We will give it our careful consideration and study. It will require considerable study and any realistic evaluation will take at least 3-4 months.

Yes, I understand. I want to tell you how pleased I am with the results of the meeting this afternoon and for the whole Security Consultative meeting. I appreciate your personal efforts and express my gratitude.

I reciprocate fully your feelings. It has been a great pleasure to be with you and your staff. I assure you that you have the strong support of the Defense Department in the past, now, and in the future. We understand fully the importance of your position in the region. The meetings we have had are