THE WHITE HOUSE

WASHINGTON

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July 3, 1979

MEMORANDUM OF CONVERSATION

PARTICIPANTS:

U.S.

President Carter Secretary Vance Secretary Brown Dr. Brzezinski

Assistant Secretary Holbrooke

Nicholas Platt

Korean

President Park

Prime Minister Choi Kyu Ha Foreign Minister Park Tong Jin

Ambassador Kim Yong Shik

Defense Minister Ro

Senior Protocol Secretary Ch'oe Kwang-Su Secretary General to President Park Kim

Kyu Won

DATE, TIME AND PLACE:

Saturday, June 30, 1979; 11:00 AM - 12:20 PM

The Blue House, Seoul, Korea

President Park: Mr. President, I would like to express on behalf of the Government and people of Korea our heartfelt welcome to you and Mrs. Carter. I am particularly grateful that you took precious time out of your busy schedule to visit Korea. I am happy that you have spent a night with U.S. troops. I am proud of the fact that we have the United States, the most powerful nation on earth, as our ally. the past 30 years the Republic of Korea has been the beneficiary of an enormous amount of assistance from the United States, both military and monetary. When North Korea invaded us in 1950, young Americans came to Korea to fight for us. Many lost their lives. We are grateful and will never forget their sacrifice. In recent months, there have been significant changes in the international scene. The United States has normalized relations with China, Japan has concluded a peace and friendship treaty with China, and China has severed its alliance with the Soviet Union. China has made slow but positive movement towards the U.S. Though Peking has not moved

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Review on June 30, 2009 Extended by: Z. Brzezinski Reason for Extension: NSC 1.13(a)

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positively toward us, nevertheless, we welcome these developments. We do not expect these developments to have an immediate positive effect on the security of the Korean peninsula.

Toward the end of last year armed clashes occurred between the Communist countries and Indochina. I believe that these clashes really represent armed conflict between China and the Soviet Union and that the conflict will last for a considerable period of time. It is our sincere hope that the conflict will not spread to neighboring countries. During the last several years the Soviet Union has steadily increased its military strength in Asia. When war broke out in Indochina, the Soviet Union lost no time to establish a military foothold in Vietnam. The countries of the region were seriously concerned and worried that this development would destabilize the region.

Recently another problem, the energy question which was the main topic of discussion in Tokyo, has become more serious and threatening. Those countries like Japan and Korea which import most of their oil from the Middle East are seriously concerned.

Recently we have confirmed that North Korea has considerably strengthened its military capability. North Korea has been most unpredictable and poses the most serious threat to the stability of the region. You may have been briefed by military commander this morning. The North Korean Communists are engaged in digging tunnels. Their intent is clear -- to mount a surprise attack. Three tunnels have been found so far and evidence exists that they are digging ten more. According to the testimony of defectors, a crack North Korean commando corps, the Eighth Special Army Corps, is undergoing special training, and familiarizing itself with the terrain of Seoul, particularly that around the Blue House. They are reported to have built models of part of the city for training purposes. This has been confirmed by military intelligence.

About ten years ago in January 1968, the North Korean Communists despatched a commando group of 31 to raid this very residence. They advanced to within 500 meters of this building. Thirty were killed, and one was captured. The latter is now married and living a happy life in the South.

North Korea has committed countless violations of the armistice agreement, 44,000 in all since signing the agreement in July 1953, including despatch of armed agents, destruction of industrial facilities in the South, the death of two U.S.

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officers at Panmunjom, infiltration of fishing boats and the capture of the USS PUEBLO. It is our judgment that North Korea is capable of launching an attack against the South without help from outside. They threaten the peace and stability of the entire region.

North Korea has recently conducted a carefully conceived peace offensive. Whenever they do this we become alarmed because in the past they have always had ulterior motives. Their objectives are to drive a wedge between us and to foster unrest in the South. Judging from all these considerations it can be concluded that the basic North Korean Communist strategic with a fanatic regime at close proximity in the North, we and the Combined Forces Command of the United States are taking of military alertness in order to deter an attack and maintain readiness to repel it. Second, we want to work to relieve tensions on the Korean peninsula. The South-North dialogue is currently suspended.

I am convinced that American troops in Korea play an incomparable role in deterring attack and preserving the peace and stability in Near East Asia, directly affecting the security of both Korea and Japan. In light of the current security situation on the Korean peninsula it is deemed unwise for the U.S. to continue further ground troop withdrawals. From an objective point of view, there have been changes since 1977 when you adopted the withdrawal policy. North Korean military power is greatly strengthened, and Soviet military capability in Asia has been strongly augmented. If the U.S. reduces its military presence or withdraws its forces at a time when the Communists are increasing theirs, many friends of the U.S. are bound to feel discouraged and uneasy. At the same time the enemy might misjudge U.S. intention to live up to its commitment in this part of the world. As you know, historically and geopolitically Korea has been the crossroads of great power interests in Asia. If this is true, U.S. forces in Korea are serving the security and stability not only of Korea but also the entire free world.

We do not doubt the defense commitment of the U.S. to the Republic of Korea. We firmly believe in it. At the same time we would prefer to have the U.S. act as a deterrent to attack than come to our aid after an attack had occurred. There is no doubt that the honest objective of every Korean is national unification. Even more important is the goal of peace even if it must be obtained at the expense of national

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unification. The most honest desire of every Korean is to avoid a recurrence of war. What is the surest guarantee against the recurrence of war? Continuation of the U.S. presence and an end to withdrawals. The North Koreans will not attack as long as U.S. troops are here. What could happen if all U.S. forces were withdrawn? No one can predict. North Koreans would strike immediately. One thing is sure, however, the chance of attack due to miscalculation would markedly increase. If a war broke out as a result of miscalculation, the military and political costs to U.S. would be enormous. The sacrifice would be great. The way to forestall sacrifice is to maintain current troop levels in Korea. The maximum results for the minimum price. Finally, let me take this opportunity, Mr. President, to make a strong request That is that the U.S. discontinue ground force withdrawals until such time as tension on the Korean peninsula is reduced.

Let me briefly turn to economic problems. Economic assistance from the U.S. has made great contributions to Korean development. We are now self-reliant. Our trade has increased to a level of some \$7 billion per year. In a few years it should reach \$10 billion. Up until 1975 we imported more from the U.S. than we exported, but last year trade was about \$1 billion in our favor. For the period of January to April of this year, there was a \$15 million imbalance in our favor, showing that the gap is decreasing. We will do more to decrease the imbalance. One of the most difficult problems we face is inflation. We have been taking measures to control it and hope in a year to have it in hand.

The OPEC price increase will have a very adverse effect on our ability to control inflation. As far as oil is concerned not only price, but quantity is also a problem. We find it difficult to obtain as much as we need. There is no alternative to conservation. We hope that the advanced countries will take appropriate measures to save oil.

That is what I had in mind to say to you, Mr. President. Would be delighted to answer any questions you might have.

President Carter: I don't have any questions, Mr. President, but I would like to make a few comments. The U.S. recognizes very well the importance of the Pacific region. Our actions have proven this. You have soundly pointed out that we have honored our alliance with Korea and that this is just a part of a global commitment which the U.S. has honored, and always will honor. We do not detect or recognize any change in the military balance away from the U.S. toward the USSR either here in the Pacific, or in Europe, or other parts of the world.

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Our alliance with Japan is as strong as it has ever been. normalization of relations between ourselves and the People's Republic of China can provide benefits to our own country and perhaps yours. We have made this change after 38 years of enmity without endangering the security of the people of Taiwan. We have renewed our Philippine military base agreement, ensuring the use of these bases until 1991. We have a high degree of friendship and purpose with the ASEAN countries. We are providing increased levels of military support for the people of Thailand. Secretary Vance will meet in a few days with the leaders of ASEAN. Our defense agreements with New Zealand and Australia are in the same strong condition. The quality of the Pacific Fleet is being improved year after year. We have made a renewed commitment to strengthen NATO, the closeness of that relationship and the spirit of the alliance. We not only honor our commitments, but take action when necessary to stop Soviet actions or threats. Recently we despatched forces to North Yemen to protect the integrity of that nation. All of these nations take firm action to defend themselves. Politically o we have improved our status in India and other countries which formerly were more friendly to the Soviet Union. We are a strong nation economically and militarily and plan to stay that way.

Over the past several months, we have been concerned over the relative strengths of North and South Korea. North Korea's strength has increased dramatically over the last two years, although it is a relatively small country and economy. change concerns us very much, and has been a surprise to us. We are deeply committed to the integrity and defense of the Republic of Korea and its people as President Park knows. We have approximately 40,000 troops here in Korea, about 5% of the total forces in the South. We have been contemplating a reduction of approximately 3,000 troops which amounts to about 1/2 of 1% of the total forces in Korea. To equate the future security of Korea with this tiny number of troops is not an accurate assessment. We would be glad to discuss this further in private. We should also discuss the reasons for the growing disparity between the Republic of Korea and North Korea military forces and what we might do to alleviate our mutual concern.

It is imperative that the military balance be maintained and that North Korea neither obtain an advantage nor believe they have obtained one.

On weapons procurement issues, Secretary Brown and Minister Ro can resolve these issues. But I believe we should be as helpful as possible in the most cost-effective way.

I am eager to see the dialogue between the South and North reestablished and pursued successfully. We welcomed your reinitiative in January. It was a step in the right direction. We believe that a new initiative now would be fruitful to bring South Korea and North Korea to the table together on the basis of equality. Any U.S. participation would be as a partner and in accordance with the wishes of President Park. I hope we can designate some senior officials in both governments to coordinate our efforts to bring North Korea back to the table. opinion productive negotiations can only occur if North Korea is convinced of the strength of the Republic of Korea and the alliance between the United States and the Republic of Korea. There must be no doubt in our mind that we will stand together. We have observed with admiration the great economic achievements of this country. Our mutual trade is an advantage to both our The amount should be increased, predictions to action should be kept at a minimum and we should work together to maintain an approximate balance.

Mr. President, I have great personal admiration and friendship toward your people and your country. My welcome this morning was genuinely warm and indicative of the friendship the people of the Republic of Korea have for the U.S. It grieves me and concerns me to see that the public image of the Government of the Republic of Korea has been damaged in the press and in the United States in recent years. A favorable story seldom appears, which is a great distortion of the true situation which exists in your country. The publicity about bribery allegations is over, I hope. I would like to discuss privately with you some action we might take to let the American epople know about the advantages of our mutual alliance so that they will look with admiration at Korea. We have a mutual interest in presenting an accurate and favorable image to the people of the United States. I am eager to work with you to make this possible. In my opinion this challenge is of almost equal importance as the level of military forces. I notice that you have some concern over the future of nuclear power production. I would like to alleviate your concerns about future supplies of nuclear fuel. As you know, in dealing with all nations on earth, we must comply with strict U.S. laws on non-proliferation. reason for this to be a problem between us at all.

Mr. President, perhaps you would like to respond, and afterwards go into a more private session.

President Park: Mr. President, you referred briefly to North-South dialogue. I would like to state my view of the trilateral initiative. The South-North dialogue is currently suspended and at an impasse. A diplomatic initiative on our part now

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should be very helpful. We have, therefore, agreed in principle with your proposal from the outset. We are dealing with sly and treacherous Communists, and we should not let ourselves be manipulated lest they drive a wedge between us. We have requested full prior consultation with your government. We have stated our concerns to you and these have been understood. I am hoping that there exists a meeting of minds between us on this so that we can proceed in great harmony, avoiding miscalculation on the Communist part, and coordinating to achieve meaningful results.

President Carter: One point which I did not understand very well. Were you talking about nuclear weapons?

President Park: No. Nuclear power generation.

President Carter: If you have no further question, Mr. President. let us proceed to the private meeting.

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