

#4
~~CONFIDENTIAL~~

THE DEPUTY SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

5 MAY 1982

MEMORANDUM FOR ASSISTANT SECRETARY OF DEFENSE (INTERNATIONAL SECURITY AFFAIRS)

SUBJECT: Security Assistance for the ROK (U)

(S) At the 14th SCM in Seoul, the Secretary of Defense indicated support for a "higher level of FMS credits for the Republic of Korea (ROK) in FY 1984, as well as improved terms of repayment and interest." To identify the best course of action, request that you establish a study group under the aegis of the Deputy Assistant Secretary of Defense for East Asia and Pacific Affairs. The Joint Staff, Commander-in-Chief Pacific, Commander U.S. Forces Korea, and Chief, Joint U.S. Military Advisory Group-Korea will be asked to provide assistance. The Services and applicable Department of Defense agencies also will be asked to assist, as necessary.

(S) I expect that the study group would, at a minimum, examine the threat and present plans for improving the capability of both U.S. and ROK forces to meet that threat through the rest of this decade; identify resources available to the Republic of Korea for force improvement, to include indigenous production, profits from third country sales, and maintenance of U.S. equipment in the Western Pacific; delineate alternative FMS credit packages taking into account the probable economic position of the ROK in the future; and recommend a strategy for obtaining interagency and Congressional agreement for a recommended program. The options considered also should include a projection of the impact on the military balance on the Peninsula if FMS credit levels continue at a rate of about \$200M per year, and if they were increased to at least a \$300M level for the next several years.

(U) The group should undertake its work expeditiously, and the resulting study and recommendations should be forwarded as soon as practicable.

Frank C. Carlucci
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- cc: MRA&L
- CJCS
- CINCPAC
- COMUS-K
- DSAA
- DIA
- PA&E
- JUSMAG-K
- CSA
- CSAF
- CNO
- CMC

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Korea

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Declassify on 4 MAY 1988

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(R) 5/4/82



ASSISTANT SECRETARY OF DEFENSE

OFFICE OF THE
SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

29 APR 1982

In reply refer to:
I-08384/82

IS/FCC
MAY 5 1982

DEP. SEC. HAS SEEN

INTERNATIONAL
SECURITY AFFAIRS

MEMORANDUM FOR THE DEPUTY SECRETARY OF DEFENSE

THROUGH: THE UNDER SECRETARY OF DEFENSE (POLICY) *by RC* 03 MAY 1982

SUBJECT: Security Assistance for the ROK (U) -- ACTION
MEMORANDUM

(C) During the 14th SCM in Seoul SecDef indicated support for a "higher level of FMS credits in FY 1984 and improved terms of repayment and interest" for the Republic of Korea (ROK). To determine the best way to achieve this goal, a study group should be established under the cognizance of ASD/ISA to review possible courses of action. A directive formally establishing such a review group is provided for your signature at enclosure. The study should be completed and available for your review as soon as possible to assure that your views are adequately reflected in the ongoing security assistance planning process for FY 1984.

(C) The study will have to consider at a minimum, the threat, actions taken and projected to meet the threat by both the ROK and the US, resources available to the ROK for force improvement including indigenous production and profits from third country sales and maintenance of US equipment in the Western Pacific by ROK industry. The group should also examine alternative FMS credit packages and recommend a strategy for obtaining interagency and Congressional approval of the desired program.

(C) In addition to the Study Group, Rich Armitage and Lieutenant General Ahmann will consult with their counterparts at State, Treasury and OMB to seek broader interagency support for increased FMS credit levels and better terms for the ROK in FY 1984.

(U) Recommend you sign the proposed study directive at enclosure.

R. L. Armitage

R. L. Armitage
Assistant Secretary
(Acting)

Enclosure

~~Classified by: Dir, EAPR~~
~~Declassify on: 29 April 1988~~

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