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*NSDM 48
KOREA
1a*

NATIONAL SECURITY COUNCIL

ACTION
August 2, 1971

~~TOP SECRET~~

MEMORANDUM FOR COLONEL KENNEDY
MR. HOLDRIDGE

FROM: K. Wayne Smith *K.W.S. for KUS*

SUBJECT: Five-Year Korea Program

My understanding is that the attached memo incorporates your views and proposed changes. Would you please concur or let me know if you have any problems. I need to move this to HAK.

~~TOP SECRET~~

DECLASSIFIED
E.O. 12958 (as amended) SEC 3.3
NSC Memo, 3/30/06, State Dept. Guidelines
By W NARA, Date 12/8/10



NATIONAL SECURITY COUNCIL

~~TOP SECRET~~

ACTION

July 30, 1971

MEMORANDUM FOR DR. KISSINGER

FROM: K. Wayne Smith

SUBJECT: Five-Year Korea Program

Under Secretary Irwin has forwarded for the President's consideration a five year military program for Korea developed by the Under Secretaries Committee (Tab B). The recommendation of the Under Secretaries Committee is that the President "approve this plan as setting the major objectives for our military assistance program in FY 71-75 subject to annual review..."

Our Strategic Objectives and the Korea Program

The military objectives set for our policy in Korea by the President (NSDM-46) are as follows:

-- Force Size. "To develop ROK forces capable of deterring or conducting a defense against a conventional or unconventional attack by North Korea." By implication, the ROK forces would not be designed either to meet the threat of a combined Chinese and North Korea attack or to allow South Korea to successfully attack North Korea.

-- Force Balance. To develop a balanced ROK defensive capability in hopes of reducing the immediacy and scope of U. S. involvement should a conflict break out between North and South Korea. It was understood, however, that it would nevertheless be necessary to provide the ROKs some support even in the event of a North Korean attack.

Based on this strategic guidance, the USC was tasked with the job of developing a five-year plan for all U. S. and ROK programs that would achieve these objectives. The principal features of the resulting plan weighed against our best idea of the forces required to achieve these objectives are:

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EO 13526, 13526-1, 13526-2, 13526-3, 13526-4, 13526-5, 13526-6, 13526-7, 13526-8, 13526-9, 13526-10, 13526-11, 13526-12, 13526-13, 13526-14, 13526-15, 13526-16, 13526-17, 13526-18, 13526-19, 13526-20, 13526-21, 13526-22, 13526-23, 13526-24, 13526-25, 13526-26, 13526-27, 13526-28, 13526-29, 13526-30, 13526-31, 13526-32, 13526-33, 13526-34, 13526-35, 13526-36, 13526-37, 13526-38, 13526-39, 13526-40, 13526-41, 13526-42, 13526-43, 13526-44, 13526-45, 13526-46, 13526-47, 13526-48, 13526-49, 13526-50, 13526-51, 13526-52, 13526-53, 13526-54, 13526-55, 13526-56, 13526-57, 13526-58, 13526-59, 13526-60, 13526-61, 13526-62, 13526-63, 13526-64, 13526-65, 13526-66, 13526-67, 13526-68, 13526-69, 13526-70, 13526-71, 13526-72, 13526-73, 13526-74, 13526-75, 13526-76, 13526-77, 13526-78, 13526-79, 13526-80, 13526-81, 13526-82, 13526-83, 13526-84, 13526-85, 13526-86, 13526-87, 13526-88, 13526-89, 13526-90, 13526-91, 13526-92, 13526-93, 13526-94, 13526-95, 13526-96, 13526-97, 13526-98, 13526-99, 13526-100

NSC Memo, Dec 1971, NSC Guidelines, Directive 5200.30, St. Louis, MO 9/18/03

By 41 NARA Date 12/8/10

TABLE 1

THE KOREA PROGRAM AND ROK FORCE REQUIREMENTS

(1976)

	<u>USC Recommendation</u>	<u>Forces Required ^{1/}</u>	
		<u>NK Threat</u>	<u>CPR/NK Threat</u>
ROK Army	18 Modernized ^{2/} Divisions (\$500 million)	12-14 Divisions	18-22 Divisions
ROK Air Force	280 Modernized Fighter Aircraft (\$221 million)	400-500 Fighter Aircraft	900-1200 Fighter Aircraft
ROK Navy	28 Modernized Ships (\$109 million)	20 Ships	30-40 Ships

1/ The force requirements are derived from NSSMs 27 and 69. The JCS believe that the ROKs would need 21 divisions, 630 aircraft, and 40 ships to defend against the North Korean threat without U. S. force assistance.

2/ In addition, the ROK ground forces include one active Marine Division, three ready reserve divisions, and seven rear area security divisions. The U. S. has one division stationed in Korea.

-- 18 modernized ROK divisions (540,000 men) are planned compared to the 12-14 divisions (400,000 men) required to meet a North Korean attack. In effect, the plan provides enough ground forces to defend initially against attack by China and North Korea combined. The reason for DOD planning a force of this size is the JCS requirement that 21 divisions (600,000 men) would be required to hold an attack by North Korea (300,000 men). The planned 18 divisions plus the 3 ready reserve divisions meet this 21 division requirement.

-- 280 modernized fighter aircraft including 54 F-5s. Together with the 100-odd U. S. fighter aircraft now deployed in Korea, this force will be adequate to match the North Korean air threat of 500 aircraft. However, the USC plan will not provide the ROKs alone with an air capability to defend themselves against North Korea and, therefore, the USAF wing will have to be retained in Korea. A principal reason for this is that the ground forces planned absorb half of the modernization funds, with little less than half left over for tactical air.

-- 28 modernized ROK ships including an offensive force of 8 DD/DEs and a defensive force of 20 Minesweeps to keep the South Korean ports clear. In addition, about 20 modern fast boats would be provided. Aside from a large number of small boats, the North Koreans essentially have no offensive naval capability and so the building of any sizeable ROK navy is a luxury. Certainly, the naval force planned will be more than adequate against the North Korean naval threat, including NK infiltration by sea, but prove inadequate against the Chinese without U. S. assistance.

In general, the Korea capability plans an unbalanced ROK force structure that will give South Korea major elements of an independent defense capability vis a vis the North Korean threat. However, it should be noted that while the ground forces provided will be adequate to meet a Chinese attack while Korea's air force will be inadequate even against North Korea. This general approach is consistent with Secretary Laird's emphasis on "no U. S. ground forces for Asia" but inconsistent with the President's specific strategic guidance on Korea.

Recognizing these possible problems in its plan, the USC memo poses three variations on their basic plan:

-- Emphasize ground force modernization with less air and naval modernization than planned. This approach is supported by those who see extreme interdependence with emphasis on indigenous ground forces as a useful device to reduce DOD costs.

-- Emphasize air forces possible financed by a reduction in the number of MAP-supported ground force units. Most parties agree that the ROK air forces could profitably be increased. State and Ambassador Porter appear to feel that ROK ground forces are too large and should be reduced.

-- Make no changes in the basic USC program but aim toward requiring the ROKs to absorb a greater share of the defense burden. All agencies seem to agree that the ROKs could do more to absorb the modernization costs.

While these alternatives are conceptually interesting, they are not offered as real choices -- they have not been defined in program terms or assessed in any detail. For example, the USC Steering Group notes that while it "is unanimous in its support for the concept of moving the ROK toward absorbing a greater proportionate share of its defense burden...additional in-depth study will be required to determine the feasibility of this approach."

In short, whereas your directive of September 5, 1970, called for "detailed alternative force structure and modernization programs... should be developed by the (USC) Committee," the USC has not really developed any alternatives for the President's consideration. Given the pressing need last year to get the ROKs acceptance of our withdrawal, this oversight was acceptable but now -- some 10 months after your request -- it is not acceptable. More work is needed.

The Funding of the Korea Program

As you know, the size and source of U.S. funding for the ROK modernization program has been a major bone of contention within the government. When the President first approved withdrawals from Korea (NSDM 48), it was stipulated that "the U. S. will attempt to provide



annual average military assistance to Korea over FY 71-75 at a level of \$200 million per year comprised either of grant MAP of \$200 million per year or its equivalent in grant MAP at a lower level, such as \$160 million per year, supplemented by other supplies excess to U. S. needs," Since then:

-- On September 5, 1970, the overall level of military assistance was raised from \$1.0 billion to \$1.5 billion with a \$1.25 billion ceiling set on grant MAP. As with the earlier directive, it was stipulated that "maximum use should be made of excess/long supply to reduce (the program) below the \$1.25 billion upper limit of the funding authority."

-- On February 18, 1971, it was formally agreed with the ROKs that the equipment levels contained in the ROK modernization plan would be "subject to annual review to evaluate program changes..." In other words, while the broad outlines of a modernization plan were jointly agreed, the questions of the size of the overall ROK force structure and relative ROK and U. S. shares of modernization costs were kept somewhat open.

In general, the USC plan seems to follow the President's financial guidance. Specifically, an overall resource level of \$1.5 billion is provided for with a ceiling of \$1.25 billion on grant MAP. However, regarding details of the financing, there are a number of inconsistencies. For example:

-- The full amount of excess equipment to be given the ROKs is not acknowledged nor credited against grant MAP. For example, the plan includes only \$250 million in U. S. excess equipment over a five-year period whereas actual excess deliveries are likely to be at least \$500 million and could run to \$800 million as the ROKs are given U. S. equipment held by U. S. forces in Korea (\$200 M) and the ROKs in Vietnam (\$80 M). In effect, the plan includes only enough of this excess equipment to allow grant MAP to rise to the ceiling set by the President even though the intent of the guidance was to reduce grant MAP as more excess was provided. Secretary Laird was, in effect, following this guidance when he told the ROKs that excess would count against the MAP program.

-- The full portion of the program to be funded by the ROKs, even when it is indirectly paid for by the U. S., is treated as an add-on to the program not an offset as specified by the guidance. Inclusion of the PL-480 funded MAP transfer programs would add \$220 million while we also expect about \$90 million in sales to the ROKs. However, a good argument could be made that if these programs were included as full offsets, the ROKs would have a greatly reduced incentive to pick up a greater share of our mutual burden.

-- A number of additional programs are under consideration or have been added over and above the equipment lists agreed to. They include the M-60 plant (\$60 million) and additional fast patrol boats. Other additions are sure to follow.

On the whole, it is clear that the USC plan could provide as much as \$2.0 billion in assistance to the ROK's rather than the \$1.5 billion provided for by the Presidential guidance unless it is made very clear that your earlier guidance should be followed in two respects:

-- Excess equipment should be used as an offset to grant MAP within the \$1.5 billion overall ceiling provided that it meets real military needs.

-- Additions to the program should require trade-offs within it unless there are valid military or diplomatic reasons for increasing the overall program.

While we have every reason to be generous with the ROKs, it is in our interest at this point to not promise more assistance to the ROKs than we should or could actually provide.

-- It reduces leverage with them that might be gained if increases in the modernization program were more visible. This could be very important in our talks on textiles or ROK forces in RVN.

-- It builds a bigger ROK program than is necessary on military grounds or can be supported by the ROKs themselves.



For these reasons, it is important that the President's guidance be tight enough so that the assistance program cannot be increased in an "ad hoc" basis without his approval. On the other hand, the guidance has and will continue to provide generous assistance to Korea.

I have prepared a memo to the President (Tab A) which recommends that he approve in principle the ROK modernization plan and asks for continuing work on:

-- Possible modification to the ROK and U. S. force structure in Korea;

-- Possible changes in the funding and the relative ROK/U. S. shares of the modernization burden.

This work could be carried out by the DPRC where we have some measure of working-level control over the product and have laid a valuable analytical framework in the U. S. strategy and forces study (NSSM-69). The most important bureaucratic benefit to be gained by this work will be to throw a net over Secretary Laird's plans for withdrawal of another U. S. division from Korea in FY 73 and provide for the development of a full range of alternatives.

RECOMMENDATION

That you sign the enclosed memo to the President (Tab A) on the ROK Modernization Plan.

CONCURRENCE: John Holdridge
Dick Kennedy

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TAB A

U.S. DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
WASHINGTON, D.C. 20535

THE WHITE HOUSE

WASHINGTON

~~TOP SECRET~~

MEMORANDUM FOR THE PRESIDENT

FROM: Henry A. Kissinger

SUBJECT: Five-Year Korea Program

Under Secretary Irwin has forwarded for your consideration a five-year military program for Korea developed by the Under Secretaries Committee (Tab B). His recommendation is that you "approve this plan as setting the major objectives for our military assistance program in FY 71-75 subject to annual review..."

You have established the following military objectives set for our security assistance program.

-- Force Size. "To develop ROK forces capable of deterring or conducting a defense against a conventional or unconventional attack by North Korea." By implication, the ROK forces would not be designed either to meet the threat of a combined Chinese and North Korea attack or to allow South Korea to successfully attack North Korea.

-- Force Balance. To develop a balanced ROK defensive capability in hopes of reducing the immediacy and scope of U.S. involvement should a conflict break out between North and South Korea. It was understood, however, that it would nevertheless be necessary to provide the ROKs some support even in the event of a North Korean attack.

Based on this strategic guidance, the USC was tasked with the job of developing a five-year plan for all U.S. and ROK programs that would achieve these objectives. The principal features of the resulting plan are:

-- 18 modernized ROK divisions (540,000 men) are planned compared to the 12-14 divisions (400,000 men) required to meet a North Korean attack. In effect, the plan provides enough ground forces to defend initially against attack by China and North Korea combined.

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By

Guidelines; *State rev cw 9/18/03*

12/8/10

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-- 280 modernized fighter aircraft including 54 F-5Es. Together with the 100-odd U.S. fighter aircraft now deployed in Korea, this force will be adequate to match the North Korean air threat of 500 aircraft but require extensive reinforcement in the case of Chinese attack.

-- 28 modernized ROK ships. In addition, about 20 modern fast boats would be provided. Aside from a large number of small boats, the North Koreans essentially have no offensive naval capability. The naval force planned will be more than adequate against the North Korean threat including efforts to infiltrate by sea.

In general, the Korea plan provides for an ROK force structure that will give South Korea an independent defensive capability vis a vis the North Korean threat. However, the ground forces planned appear adequate to meet even a Chinese attack while its air forces will be inadequate even against North Korea. This general approach is consistent with Secretary Laird's emphasis on "no U.S. ground forces for Asia," but inconsistent with your specific strategic guidance in Korea. This broader strategic question involving the timing of further U.S. withdrawals, if any, from Korea will be ready for your consideration in the NSC meeting planned for mid-August on U.S. Strategy and Forces for Asia (NSSM-69).

Despite this possible defect, the Korea plan forms a generally sound basis for ROK modernization. Therefore, I recommend that you approve the Korea modernization program in principle recognizing that further work needs to be done.

Enclosed is a directive for me to forward to the agencies incorporating these recommendations. It also provides for the further assessment of security and economic assistance options to correct the deficiencies noted above.

RECOMMENDATION

That you approve the enclosed memo to the agencies (Tab A) authorizing them to proceed with the Korea Modernization Plan.

Approve

Disapprove

TAB A

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

~~TOP SECRET~~

National Security Decision Memorandum

TO: The Secretary of State
 The Secretary of Defense
 The Chairman, Joint Chiefs of Staff

SUBJECT: ROK Force Structure and Modernization Program

The President has approved in principle the five-year Korea Modernization Program prepared by the Under Secretaries Committee. As recommended by the Under Secretaries Committee, the President authorizes:

1. A military assistance and sales program totaling \$1.5 billion in FY 71-75 comprised of a combination of grant military assistance (MAP), excess defense articles, and other U.S. military equipment transferred to the ROK at no cost.
2. A maximum of \$1.25 billion in new obligational authority (NOA), this amount to be reduced to the maximum extent possible through foreign military credit and cash sales, provision of excess defense articles, and other "no cost" U.S. equipment transfers.
3. The annual review of the plans reflecting program changes, new cost factors, resource availabilities, and the situation as it evolves on the Korean peninsula.
4. Program additions or changes shall be considered as offsets to the assistance levels contained within these ceilings unless specifically considered and approved by the President.

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NSC Memorandum Guidelines; State review 9/12/00
By h NSC/OP 12/10

Further, the President directs that as set forth in NSDM-48, a five-year Korea memorandum should be developed for his consideration covering all U. S. activities and programs related to Korea and posing alternative U. S. presence and assistance options over the next five years. These preparations shall be carried out by the agencies responsible under the direction of the Defense Program Review Committee. The Korea Program Memorandum shall be completed by September 1, 1971, prior to its review by the DPRC.

Henry A. Kissinger

cc: The Director, Office of Management
and Budget

TAB B



THE UNDER SECRETARY OF STATE
WASHINGTON

NSC UNDER SECRETARIES COMMITTEE

SECRET/NOFORN

June 28, 1971

MEMORANDUM FOR THE PRESIDENT

Subject: Republic of Korea Force Structure
and Modernization Program

NSDM 48 and follow-on directives instructed the Under Secretaries Committee to coordinate discussions with the Republic of Korea on a five-year force structure and modernization plan for the Korean armed forces.

Recommendations

The Committee has reviewed the enclosed plan (Tab A) and recommends:

-- that you approve this plan as setting the major objectives for our military assistance program in FY 71-75, subject to annual review to evaluate program changes, cost factors, resource availabilities, and the evolving situation on the Korean peninsula;

-- that you authorize a military assistance and sales program totalling \$1.5 billion in FY 71-75, comprised of a combination of grant military assistance (MAP), excess defense articles, and other U.S. military equipment transferred to the Republic of Korea at no cost; and including a maximum of \$1.25 billion in new obligational authority (NOA), this amount to be reduced to the maximum extent practicable through foreign military credit and cash sales, provision of excess defense articles and other "no cost" U.S. equipment transfers.

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EO 1.17 (b) (7) SEC 3.3
NSC Memo, Dec 13, 75, Rept. Guidelines
By lh Date 12/8/10

-- that you authorize Vice President Agnew during his visit to Seoul June 30-July 3 to convey to President Park your approval of the objectives plan, subject to annual review as stated above.

APPROVE _____

DISAPPROVE _____

Discussion

On February 10 we and the Koreans jointly announced the satisfactory completion of talks on the modernization of the Korean armed forces and the reduction of U.S. forces in Korea. Our troops have since been replaced on the DMZ by Korean forces. At the end of this month our force level in Korea will have been reduced by 20,000 men.

At the time of our joint statement we told the Koreans that the modernization plan provided an acceptable framework but that the specifics of the plan required further study in Washington. We now request authorization to inform the Korean Government that this plan has your approval and that we are prepared to move forward with its implementation.

As you recall, the Vice President was directly involved in the negotiations concerning our troop reduction and modernization plan during his earlier visit to Seoul. We still have difficult bridges to cross with the Koreans in regard to our future force levels, and we would profit from the good will created if the Vice President could personally convey your decision.



John N. Irwin II
Chairman

Attachment

Tab A - Report of the NSDM 48
Interagency Steering Group
ROK Force Structure and Five-Year
Modernization Program



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A
B
A

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
Presidential Libraries Withdrawal Sheet

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REASON FOR WITHDRAWAL ÇNational security restriction

TYPE OF MATERIAL ÇReport

TITLE Report of the NSDM 48 Interagency
Steering Group ROK Force Structure and
Five-Year Mوندernization Program

DESCRIPTION With Attachments

CREATION DATE 08/1971

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ASIAN AND PACIFIC AFFAIRS STAFF FILES

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FOLDER TITLE Korea - NSDM 48

DATE WITHDRAWN 03/03/2011

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