- 1. (U) This report is submitted in accordance with Section 23(d) of the interfectional Security Assistance Act of 1979 (PL 95-384, 26 Sept 1978), which provides that 120 days prior to each phase of troop withdrawal, commencing in 1979, the President should transmit to the Congress a report on the viability of the withdrawal. This report also satisfies Section 23(e)(2) of the 1978 international Security Assistance Act, which requires that prior to any further withdrawals, the President shall report to the Congress on the broad effects of any proposed withdrawal plan.
- 2. (a) On \$1 July 1979, the White House ennounced that:
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- Further withdrawals of combat elements of the 2d infantry Division will be held in abeyance until at least 1981;
 - The structure and function of the Combined Forces Command will continue as established in 1978;
- Between now and the end of 1980 some reductions of personnel in US support units will continue, to include one improved HAWK air defense battalion;
- The timing and page of withdrawals beyond these will be re-examined in 1981 in the light of progress in restoring the North-South military balance, and of evidence of progress in reducing tensions on the peninsula.

A total of 3,655 US ground force spaces have been withdrawn from the ROK since 20 July 1977. (See Appendix 1).

- 3. (4) An additional 1526 manpower spaces are planned for withdrawal from Korsa by the end of Calendar Year 1980. This report is submitted in anticipation of these withdrawals. A list of affected units is at Tab 2. In addition two hundred spaces now allocated to two provisional TOW companies will be reallocated to Eighth US Army for use in improving the firepower and intelligence and warning capabilities of US Army units in Korea. (See Appendix 2). The TOW assets of both of these companies will be transferred "cost-free" to the ROK Army.
- 4. (** The US Rainforcement Capability. Inactivation/withdrawal of these units/manpower spaces will have a minimal effect on combat capability because the equipment assets of the four units being withdrawn (one 1-HAWK battalion, the 117th AVN Company, and two provisional TOW companies (23d and 38th Infantry Companies (Anti-armor)) will remain in-country to equip counterpart ROK units. The remaining space reductions will have a minor impact on overall support capability, but leave the support base required for reinforcement intact.
- 5. (U) impact of US Withdrawal on the UN and ROK Command Structures. The revised withdrawal schedule will have no effect on the United Nations Command, the ROK/US Combined Forces Command, or the US or ROK command structure.

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6., (a) Military Balance. A detailed assessment of the military balance on the Korean Peninsula -- incorporating revised estimates of the North Korean Order of Battle -- has been completed. This assessment has verified that North Korea, over the past decade, has expended both its defense industries and the size of its armed forces, particularly on the ground. Pyongyang now produces much of its own military equipment, and thus has greater independence to exercise a range of military options to achieve its goal of reunification on its own terms. the ground, the balance now favors the North in force size, firepower, mobility, and sustainability. In terms of air power, the North's quantitative superiority vis-a-vis the ROK would affect the South's qualitative edge. The major equipment of the North Korean Navy is newer than that of the South and has progressed from an almost purely coastal defense force to one with capabilities for anti-shipping operations. amphibious raiding, and mining operations in South Korean waters. To help correct the adverse military belance it faces, the Korean Government has undertaken to increase defense expenditures and to give special attention to improving its ground defenses.

- 7. Deterrence in Korea. Withdrawal of the 1526 support spaces from US forces in Korea addressed in this report will have no adverse effect on the military belance on the Peninsula. The inactivation of the two TOW companies and transfer of their equipment assets to the ROK along with the reallocation of their 200 manpower spaces will actually improve our deterrent and defense capabilities. With these 200 manpower spaces, Eighth US Army's firepower and intelligence and warning capabilities will be improved. ROKA plans to place these TOWs in prepared positions on the forward edge of the battle area, whereas if retained in the US inventory, the TOWs would remain in reserve until US forces were committed by the National Command Authority (NGA). Transfer of the improved HAWK and UN-IH Attack Helicopter Company to the ROK Army units will also retain the combet capability of these units in-country.
- a. 400 US Ground Combat Forces. Although the deterrent effect of US ground forces cannot be precisely measured, the presence of these forces in Korea has provided the most visible and credible sign that the United States intends to assist in the defense of the ROK. The establishment in November 1978 of the ROK/US Combined Forces Command further underscores the US commitment to Korea under the ROK-US Mutual Defense Treaty, as does US participation in combined exercises such as TEAM SPIRIT which also demonstrate US reinforcement capabilities.

In November 1978, the United States deployed an additional 12 F-4 aircraft to Korea and we are presently replacing some of our F-4s in Japan with the F-15. A squadron of US A-10 aircraft to be deployed to Korea in the early 1980's and three AWACS aircraft to be deployed to Japan in the summer of 1980 will provide a significant increase in US airpower in the Western Pacific.

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- c. (e) US Naval Forces. US Navy and Marine Corps forces deployed in the Western Pacific provide a major reinforcement/reentry force in the Pacific theater. These forces form an integral part of the naval presence contributing to regional stability and deterrence against North Korean aggression.
- 8. (swinness) (Norsen) The Reaction Anticipated from North Korea and the Effect of Troop Withdrawals on the Progress of Diplomatic Efforts to Reduce Tensions in the Area. North Korea has publicly belittled the withdrawals accomplished to date, characterizing them as a rearrangement of US forces in the Western Pacific. Nevertheless, it has been severely critical of the decision to suspend further withdrawals of combat forces.
- a. (CANNITES) (NOSERNI) North Korea remains a formidable threat. It has developed and continues to strengthen a powerful military force at a great economic cost, a force designed and trained for rapid achievement of offensive objectives. Faced with the growing economic, political, and military strength of the ROK, the mounting obsolescence of its own Air Force, and economic and diplomatic failures, Pyongyang could conclude that a military solution in the near term is the only viable option. Although this option is constrained by South Korean forces and national unity, the continued presence of US combat forces as a major and dangerous obstacle, as well as by other major power interests in the area, the intransigence and unpredictability of the North Korean leadership and our lack of knowledge of North Korea's military Intentions constitute grounds for caution. Pyongyang may be uncertain about potential Soviet and/or PRC support, but it could initiate hostilities without support from its allies.
- b. (S-MSTORM) On balance, North Korea's most likely short term reaction to the revised withdrawal is continued propaganda directed at the US and ROK, and occasional heightening of tensions by continuing such activities as Infiltration, tunneling, and staging of incidents.
- c. (U) On 30 June 1979, President Carter and President Park jointly proposed to North Korea tripertite talks aimed at reducing tensions on the peninsula. Initial North Korean reaction to this proposal was negative. North Korea maintains that the question of reunification is strictly an internal Korean affair to be solved by the North and South Koreans alone, and that reduction of tensions should entail bilateral talks with the US on the withdrawal of foreign forces and the replacement of the armistice with a peace agreement. The Tripartite proposal, however, still remains on the table.
- 9. (6) impact of Withdrawal on the Adequacy of US Military Assistance to the ROKG. US military assistance to the ROKG will not be adversely affected by the inactivation/withdrawal of the units listed at TAB 2. In fact, ROKA units will be enhanced with the addition of the equipment assets of two TOW companies, an I-HAWK battalion and an AVN company under the cost-free transfer program. In addition, FMS financing in the amount of \$175 million for FY 80 is proposed and the anticipated international Military Education Training (IMET) funding level of \$1.8 million for 1980 is considered adequate because suspension of US combat force withdrawals has somewhet eased the requirement for training funds to support the compensatory equipment transfer. The \$1.8 million level will allow some funding of resource

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management and professional military training while programming technical training to support the transfer of one improved HAWK battalion in CY 1980, one in 1981, and one in 1982, and a UH-1H helicopter company in CY 1980.

- Developments. The affort to restore the military balance requires that the ROK continue to contribute substantially to improving its defense fortifications. The ROK fortification program has progressed from semipermanent, timber-type fortification in 1953-1958 to well-designed, well-constructed concrete fortifications and anti-tank obstacles in 1979. These fortifications are carefully tied into the overall tactical defense plan, with the main avenues of enemy approach given the highest priority. The fortifications enhance ROK forward defense capabilities, but do not, by themselves, ensure ROK security. The most numerous and strongest fortifications are in the forward defensive areas; both the quantity and the degree of hardening decrease towards the rear. Considerable ROK resources continue to be devoted to this program -- \$4.9 million in 1977 and \$28.6 million in 1978. This increase in Indicative of the priority the ROK places on this program.
- a. (**) The ROK Government continues to improve airbases for US Air Force and Marine Corps tactical aircraft that are projected to deploy to the ROK in the event of a contingency. The ROK is currently funding projects in support of US tactical aircraft augmentation to provide sufficient protected aircraft parking spaces and protected storage for fuel, ammunition, and other war reserve material.
- b. (a) During the past few years, ROK defense industries -- with the substantial assistance of the United States -- have dramatically increased their technological base and production capabilities, but are still far behind those of the North. Currently, ROK industries manufacture, among other things, VULGAN anti-aircraft guns, 105mm and 155mm howitzers, and fast patrol boats; rebuild tanks; and assemble small 500-MD helicopters. They have successfully developed prototypes of anti-tank rockets, multiple rocket launchers, and limited range surface-to-surface missiles.
- ROK Incentives to Develop an Independent Nuclear Deterrent. The ROK has the technical base to develop nuclear weapons, but there is no evidence that it is seaking to do so.
- a. ROK officials view the US nuclear umbrella as an important deterrent to war on the peninsula; the nuclear umbrella will likely take on more importance when withdrawals resume. Should the United States not provide the support which the ROK perceives as necessary to maintain its own credible deterrent against North Korean attack, the ROK could, in the future, consider a nuclear weapons development program, but the present withdrawals offer no incentive to do so. The ROK's growing dependence on US supplied nuclear material for its civilian energy program provides the United States with effective leverage in this area.

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- 12. (S-MOTORN) Effect of Any Withdrawal on US Long-Term Military and Economic Partnership with Japan. The Japanese have favorably viewed the halt in US ground combat force withdrawals. They view the US force presence as an important part of the military equation which provides stability in the Northeast Asia region.
- 13. (S HOTORN) Effect of Any Proposed Withdrawal on US-Chinese and US-Soviet Military Balances. The small changes anticipated in CY 1980 will not have any impact on the US-Chinese and US-Soviet military balances as perceived at this time.
- 14. (8-NOFORM) Possible Implications of Any Proposed Withdrawal on the Soviet-Chinese Military Situation. The limited withdrawal of 1526 US ground support forces from the ROK is not expected to have an impact on the Sino-Soviet military situation.

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APPENDIX 1

1. (U) Ground Force Withdrawals/Inactivations From Korea Through FY 1979

NON-DIVISIONAL

	7.00		
UNIT	ACTION	DATE	REDUCTION
1-42d FA Bn (HONEST JOHN)	INACTIVATION	SEP. 77	293
2-44th ADA Bn (NIKE HERCULES)	INACTIVATION	SEP 77	. 730 .
51st Sig Bn	INACTIVATION	JAN 78	385
226th Sig Co	INACTIVATION	FEB 78	213
HHC, 4th Missile Command	INACTIVATION	JUN 78	212
HHC, 2d Trans Grp	INACTIVATION	JUL 78	39
43d TC Co.	INACTIVATION	JUL 78	19
28th TC Co	INACTIVATION	JUL 78	19
HHC, 83d Ord Bn	INACTIVATION	SEP 78	127
63d Ord Bn	INACTIVATION	DEC 78	222
CS/CT #3	INACTIVATION.	DEC 78	25
833d Ord Co.	To CONUS	DEC 78	296
Miscellaneous			14_
	SUBTOTA	L	2594
2D 1NF	DIV		a a
inf/Tank Bn	CONVERSION	OCT 78	158
2-9th Inf Bn	To CONUS	DEC 78	674
1-31st FA BN (HONEST JOHN)	INACTIVATION	JUN 79	219
Hi scellaneous	a	* 4	<u> 10</u>
* .			•
	SUBTOTA	L	1061
· ·	TOTAL		3655
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APPENDIX II

1. Ground Support Forces To 8e Withdrawn/Inactivated By End of CY 1980

a. Support Spaces To Be Withdrawn:

UNIT	ACTION	DATE	REDUCTION
1-44 AD BN (HAWK)	INACTIVATE	3D QTR FY 80	767
N-H WPNS SPT DET	INACTIVATE	4TH QTR FY 80	120
WSD-K (WEAPONS SUPPORT DEP)	SPACE REDUCTION	4TH QTR FY 80	16
117th AVN CO. (UH-1)	INACTIVATE	IST QTR FY 81	172
55th MP CO	SPACE REDUCTION	4TH QTR FY 80	20
728th MP BN	SPACE REDUCTION	4TH QTR FY 80	35
1st SIG BDE	SPACE REDUCTION	4TH QTR FY 80	88
19TH SPT COMO	SPACE-REDUCTION	IST OTR FY 81	108
I-HAWK TRNG TM	INACTIVATE	3D QTR FY 80	20
MEDCOM-K	SPACE REDUCTION	4TH QTR FY 80	30
38th ADA BDE	SPACE REDUCTION	4TH QTR FY 80	30
2D ENGR FP	SPACE REDUCTION	4TH QTR FY 80	85
20 INF DIV SUPPORT	SPACE REDUCTION	4TH QTR FY 80	35
	SUBTOTAL		1526

b. Combat and Support Units to be Inactivated with Manpower Spaces to be Retained by Eighth US Army for Improvements in Firepower, Intelligence Collection, and Warning Time

UNIT	ACTION	DATE		REDUCTION
38TH INF CO. (ANTI-ARMOR)	INACTIVATE	2D QTR FY 80		100
23D INF CO. (ANTI-ARMOR)	INACTIVATE	20'.'QTR 'FY '80		100
	SUBTOTAL			200
	TOTAL		20	1726

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