



ASSISTANT SECRETARY OF DEFENSE  
WASHINGTON, D. C. 20301

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PROGRAM ANALYSIS  
AND EVALUATION

MEMORANDUM FOR DIRECTOR, DEFENSE SECURITY ASSISTANCE AGENCY

SUBJECT: ROK Tank Improvement Program (U)

I appreciate the opportunity to comment on the proposed subject message to COMUS-KOREA. I recognize the replacement of M-47s by an equal number of M-48s would be a sound way to improve South Korea's armor capability. However, there are other considerations which argue against the program proposed by the Army.

The Secretary of Defense has issued a PBD instructing the Army to convert its 3060 M-48 tanks to the A5 version. These tanks are required to help reduce our serious tank inventory shortfall, and they are not presently planned to be available for foreign sale until the early 1980's. I am concerned that the ROK may believe that SecDef has decided M-48s are available and only the price is in question. This is not the case. Until SecDef changes the tank modernization program, discussions with the ROK should not reinforce the impression tanks are available.

Sale of the 421 M-48s in the next few years would exacerbate the current shortfall in the Army's inventory and would have a negative impact on our overall force readiness. This shortfall includes the effect of recomputing U.S. war reserve requirements, which increases our inventory objective (AAO) by 1,000 tanks. Diverging the 421 M-48s could delay attaining the AAO by about another year.

Sale of the M-48 tanks might result in a reduction in procurement of XM-1 tanks through either a reduction of our inventory objective or the acquisition of M-60 replacements. It also could contribute to a delay in conversion of two U.S. divisions from infantry to armor/mechanized in FY 79-80, or to bringing prepositioned stocks in Europe up to authorized levels.

Sale of the tanks at this time would be inconsistent with SecDef and Army public statements concerning both the scarcity of tanks for U.S. forces and the importance of spending substantial funds to meet our tank inventory objective. In order to justify the sale to the Congress, we might be forced to argue that ROK needs should be given higher priority than our own. I do not believe that we could support such an argument.

ASD(DASE)

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Chief, Records & Declass Div, WHS

Date:

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Chief, RDD, ESD, WHS  
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At the lower selling price, replacing the 421 M-48s with M-60s would cost the Army an incremental \$100 million. Since we have assured the Congress that the Korean Force Improvement Plan will cost the United States nothing other than credit guarantees, Congress might balk at both the sale and the lower price. Also, the proposed reduction in price, after the Army had established a price which it believed to reflect the M-48's value to the United States, would set a bad precedent for other sales to the Koreans, as well as for sales to other governments.

There are alternative means for achieving near-term increases in the ROK anti-tank capability which could have advantages to the ROK and the United States, and which should be considered:

- Additional TOW would increase ROK capability while maintaining a warm production line in the United States.
- M-60s would give the ROK a significant armor improvement and could be co-produced or purchased from the United States. M-60s will be available for sale beginning in 1978. However, this option has a high acquisition cost and also requires adding 105mm tank ammunition to the basic load and PWR.
- Other countries (e.g. Italy) continue to overhaul and rebuild M-47 tanks. A similar plan, designed to stretch the M-47's life span until other tanks can be purchased, might be possible for the ROK.

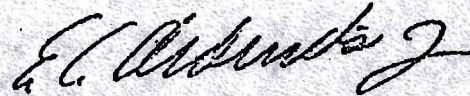
For the above reasons, I am not satisfied that sufficient justification exists for diverting the M-48 tanks from our modernization program and selling them to the ROK in the near future. Nor can I concur with the Army's recommendation to reduce the sale price. I recommend COMUS-KOREA be told that unless SecDef changes the U.S. M-48 modernization program, the M-48s will not be available for the ROK until the early 1980's and, therefore, the ROK should examine other alternatives for meeting its anti-armor requirements. I further recommend that we do not reduce the sale price of the M-48s.

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E. C. Aldridge, Jr.

Acting Assistant Secretary of Defense  
Program Analysis & Evaluation

cc: ASA (I&L)

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