OFFICE OF THE CHIEF OF STAFF
WASHINGTON, D.C. 20310

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MG. Harffa

From

DACS-SA

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6 May 1976

MEMORANDUM FOR: DIRECTOR, DEFENSE SECURITY ASSISTANCE AGENCY

ATTN: MR. OXMAN

SUBJECT: ROK Tank Improvement Program (U)

Office of the Secretary of Defence \$ 4.5.C \$552

Chief, RDD, ESD, WHS

Date: Authority: EO 13526
Declassify: Deny in Full:

Declassify in Part:

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Reason:

1. (U) References:

a. ASD(PA&E) memo, 22 April 1976, subject as above.

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b. DA (DACS-SA) memo; 9 April 1976, subject as above.

c. ASA(I&L) memo w/incls, 29 January 1976, subject: US and Foreign Tank Requirements, with DEPSECDEF indorsement, same subject, 12 March 1976 (copies attached).

2. Reference la provided comments and expressed reservations on the Army position concerning sale of M48Al tanks to ROK (reference 1b). Reference lc was previously forwarded through Director, DSAA, to DEPSECDEF, who acknowledged and, with general qualifications, endorsed Army tank policies. The Army tank policy paper specifically addressed the sale of M48Al tanks to ROK (blue marker, inclosure 1).

3. (6) The Army position regarding sale of 421 M48A1 tanks to the ROK has not changed and remains that most recently expressed in reference 1b. While that position is to sell M48A1s for subsequent upgrade in Korea to M48A3 configuration, it is emphasized that the Army recommendation is predicated on the eventual outcome of ROKG force improvement program deliberations, which will include decisions as to upgrade/modernization of their tank fleet.

In deriving its position that sale of M48Als is the most prudent, cost-effective and affordable course of action to upgrade the ROK tank fleet, the Army considered a full range of options including sale of M60Als from new production, M60Al coproduction, sale of M48A3 or M48A5 tanks coverted in CONUS and M47 upgrade. Factors considered in our evaluation included: capabilities of US production base (new tanks and

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upgrade); cost factors; threat/regional balance of forces; out-year supportability; ROK industrial/military capabilities; leadtimes for production, conversion and coproduction; ammunition compatibility and stockage requirements; export of US technology; and effects on US tank production and conversion programs. The Army and the country team jointly rejected M60Al coproduction and M47 upgrade as undesirable and not cost effective.

- 5. (a) The major objection raised by ASN(PASE) in reference la is the projected loss of 421 M48Als from the Army inventory. This objection is based on a supposition that the Army will convert all M48 series assets to M48A5s for its own use and that these 421 M48Als are required for near-term force readiness. The Army does not consider sale of these 421 tanks as germane to the problem of short-term readiness or the scope of the M48A5 conversion program for the following reasons:
- a. The Army FY 78-82 POM, approved by the Secretary of the Army on 30 April 76, calls for a total of 2652 M48A5 conversions (total number to be converted) by June 1981. This quantity will absorb M48 series assets over and above the 421 M48A1s for ROK, 126 M48A5s for Israel, 54 M48A5s for Morocco and 23 M48A1s or A3s for Bolivia.
- b. Loss of the 421 M48Als to ROK will in no way affect the timing, extent of, or readiness gains to be accrued from, the M48A5 conversion program. There will be no effect whatever on the fill of prime tanks (105mm, diesel) in active Army units, any reserve component units, POMCUS or overseas war reserves.
- c. There will be negligible impact on near-term tank fleet readiness and associated improvement plans. The 421 tanks in question (even if added to approved conversion schedules) would not be converted until PY 81-82. Until converted, the 421 M48Als would remain contingency items in depot stocks as non-deployable assets, with decreasing marketability and opportunity for financial recomment.
- d. By end FY 80, the new Army POM calls for on-hand quantities of 9308 M60 series tanks, ILUXM-ls and 2337 converted M48A5s, or a total of 11,755 deployable tanks -- this asset level will enable satisfaction of all our unit and high priority stockage requirements.
- 6. (a) In the context of international security affairs and the nature of the threat confronting South Korea, the Army considers sale of these 421 M48Al tanks to be in the best interests of the United States. The recommended sale does not presuppose ROK priorities are higher than our

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own; the Army considers that enhanced ROK defensive capabilities are to USG advantage in terms of increased deterrent value and potential for buying time in the event of a NEA conflict. A key point is that these M48Als could be put to effective military use by the Koreans within a period in which they would otherwise have very limited military value if retained by the US Army.

1 Incl

C. M. MATTHEWS, JR.
Colonel, GS

Deputy Coordinator for Army Security Assistance

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