

US GROUND FORCES WITHDRAWAL: KOREAN
STABILITY AND FOREIGN REACTIONS*

Withdrawing US ground forces from Korea involves a variety of risks that revolve around stability on the peninsula and international reactions especially of the other major Asian powers. Following a withdrawal, the situation in Korea will be more uncertain than it is now, and the general perception of the US as an Asian power will be diminished. The extent to which these tendencies develop depends largely upon the combination of measures employed to offset or reduce the risks of a withdrawal.

Stability on the Peninsula

Setting

1. The North continues to seek reunification on its own terms and has not ruled out the use of force. It has been deterred by US-South Korean military strength and the US commitment to the South, the most credible manifestation of which has been the presence of US combat forces on the peninsula. Since 1970, however, the military balance between North and South Korea alone has changed from rough equality to one that substantially favors the North. This imbalance is likely to continue for at least the next five years.

The Risks

2. Our most important judgment is that Pyongyang would view the withdrawal of US ground forces and nuclear weapons as removing key elements of deterrence.

* This paper was prepared under the auspices of the National Intelligence Officer for East Asia and the Pacific and is based on a draft prepared by CIA and reviewed by representatives of that Agency, DIA, NSA, and intelligence organizations of the military services.

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3. Moreover:

- A US ground force withdrawal could greatly reduce ROK command and control and intelligence capabilities. ROK forces are highly dependent on the US command structure for coordinating multi-division operations and for sophisticated intelligence, to include early warning.
 - The withdrawal of US ground forces could lead to diminished US control of the ROK armed forces. The South Koreans may seek greater control of their own forces in light of a significant reduction in US ground forces. This would remove the restraining influence of the US over ROK reactions to North Korean provocations.
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- Foreign lender confidence in South Korea may decrease. A ground forces withdrawal may make it more difficult for South Korea to attract needed foreign capital. South Korea depends on a heavy flow of foreign capital to pay off existing debts, keep its economy growing, and build up its defense industries. Seoul's economic progress over the years has been a critical factor in maintaining political stability and general confidence in the Pak government.
 - A US withdrawal, combined with a deterioration in US-ROK relations, could create political instability in the South. President Pak's ability to remain in power hinges in an important way on his management of relations with the US; this could become critical during and after a troop withdrawal. If South Korean

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military leaders and other members of the elite came to believe that his policies and behavior were diminishing the overall US security commitment, they might attempt to force him from power. This would entail considerable political turmoil, which Pyongyang would view as an opportunity for intervention.

- The withdrawal of US ground troops could undermine South Korean resolve. US ground forces have always been an important psychological factor in South Korea. The withdrawal of these troops would have a major impact on the morale of the South Korean military and is also likely to affect general civilian confidence in the future of the country, as well.

4. In deciding whether to undertake major hostilities during or after a US withdrawal, Pyongyang would be heavily influenced by its perceptions of the reliability of the US security commitment, the military balance, and political conditions in the South. If Pyongyang decided to attack the South, its most likely immediate military objective would be the rapid seizure of Seoul, and the consolidation of its gains.* In so moving, Pyongyang would hope to deny the South the opportunity to bring its larger reserve forces into play, minimize the duration and extent of US involvement, and avoid reliance on Soviet or Chinese military assistance. It might calculate that the US, China, and the USSR would all seek to bring hostilities to an end at the earliest possible time. In such a situation, with the ROKG likely in disarray, the North would see itself in an extremely advantageous position.

Compensating Measures

5. The ROK cannot, on its own, correct its military deficiencies and compensate for the capabilities of the US ground

* The imbalance favoring the North over the South alone is probably sufficient to assure the success of a well-executed military operation to seize the Seoul area. This assessment is based in large part on the ability of the North to achieve sufficient surprise to preclude South Korea from bringing its ground and air capabilities to bear in time to counter such an attack.

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forces over the next five years under the current Force Improvement Plan. ROK planning includes an increase in defense spending from \$1.5 billion in 1976 to \$4 billion, or 6.9 percent of GNP, by 1981. Even so, South Korea will remain well behind the North in force capabilities at least until the mid-1980s if the North continues military acquisitions at current rates.

6. South Korea has a limited ability to increase defense allocations above planned levels without seriously reducing economic growth. During the next five years, each additional \$1 billion in annual ROK defense spending above programmed levels will reduce the planned annual increase in GNP by roughly 15 percent. The reduced GNP growth rate in turn would restrict subsequent government revenues, and increase Seoul's difficulty in attracting the large amounts of foreign capital it needs to sustain its export oriented economy.

7. The US, however, can reduce the risks attendant to withdrawal in a variety of ways:

- Retaining US tactical air capability and a residual logistical support group. Given the military balance, there is little question of the importance of maintaining US tactical air and residual logistic support facilities.
- Phasing troop withdrawals. A prolonged ground force withdrawal would have a less unfavorable impact than an early, compressed withdrawal. Indeed, leaving open the date for the withdrawal of all ground forces would have important effects in Pyongyang and Seoul. Both would view an open-ended schedule as an indication that withdrawal would be governed more by security conditions on the peninsula than by US domestic pressures. Moreover, the continued presence of US ground combat units, although reduced in size, will still confront Pyongyang with the possibility that aggression could result in some form of massive US intervention. Any inclination in the North to undertake provocations during a withdrawal would thus be inhibited. The South might be more inclined to delay assuming greater control of their own forces or more

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willing to compromise in determining transfer of command arrangements. The result would be more US restraining influence over possible ROK military reactions.

- Retaining intelligence assets that might provide early warning of a North Korean attack. Early warning of an attack is absolutely essential for the successful defense of the South. Warning time is already critical and will become more so after US withdrawals.

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- Assisting the ROK in strengthening its defenses and in acquiring the military equivalence of the US ground forces now stationed in Korea. A strong, unequivocal US effort to improve ROK military capabilities would be critical to continued stability on the peninsula. Such an effort would alter Pyongyang's perception of the military balance, enhance the prospects for continued political stability in the South, and diminish any inclination in Seoul to reconsider a nuclear weapons option.

- Assuring that other US actions or statements do not send the wrong signal to either the North or the South, but rather underscore the continued US security commitment. Diplomatically, the ROK is acutely sensitive to the possibility of US-North Korean contacts and to any modification of the cross recognition formula. Movement in these areas could increase South Korean anxiety that our ground force withdrawal is only a prelude to a total pull out.

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 On the other hand, initiatives to increase understandings among the major powers about the desirability of stability on the peninsula would be seen by Seoul as continued US willingness to work in its behalf and by Pyongyang with discomfort.

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The US security commitment would also be reinforced in Pyongyang and Seoul by the augmentation of US air power in the South, forward basing of US Navy assets in the Pacific, and demonstrations of US mobility capabilities through field exercises.

To be credible in the Koreas and elsewhere, our public statements regarding US commitment to South Korea's security should carry the clear message that our decisions on force levels will be based on security considerations. Such statements, supported by the compensating measures mentioned above, would have an important ameliorative effect on all elements relating to stability on the peninsula, including morale in the South and confidence of its economic lenders.

International Reactions

Japan

8. Tokyo prefers that US ground forces remain in Korea, but is resigned to a withdrawal. Japanese perceptions of and policies regarding security issues in Northeast Asia and the peninsula in particular are unlikely to change appreciably.

9. Japanese leaders want the US to preserve a maximum presence in Asia. They believe that stability in Korea is essential to Japan's own security. Even so, Japan has been especially wary of direct involvement in South Korean security issues in light of its "no-war" constitution, its limited self-defense forces, and consistently negative Japanese popular attitudes toward issues termed either "Korean" or "military." Although the Japanese public dialogue is now more open and rational about security issues, Japanese leaders still consider any direct military contribution to South Korean security a political impossibility.

10. In 1976-77, the Japanese government voiced greater concern about Washington's intention to withdraw US ground

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forces than it did in 1970 about the removal of the 7th Infantry Division. In stressing these concerns, Tokyo must realize that it is inviting a US counterproposal, i.e., that Japan more directly contribute to Korean security, something Tokyo is not prepared to do. Specifically, the Japanese are concerned that a withdrawal:

- be undertaken only after a careful review of strategic considerations and explained in such terms. The Japanese do not want a US withdrawal to be perceived as a consequence of US domestic pressures to chastise President Park. Any evidence that US domestic concerns are overriding the strategic interests of its Asian allies would, in Japanese eyes, call into question American reliability.
- be carefully phased over 4-5 years to lessen the impact on the strategic balance and provide time for strengthening South Korean capabilities.
- involve consultations with Japan, enabling the government to assimilate US thinking and to demonstrate at home that Washington is taking Tokyo's interests into account. At the same time, the Japanese do not want to be cast in a codeterminant role that might involve responsibilities Tokyo would like to avoid.

11. In voicing concern about a withdrawal, Tokyo is reassuring South Korea that it remains of paramount importance in Japan's view of the peninsula.

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[redacted] Predictably, Pyongyang has reacted strongly to Tokyo's public support for a continued US military presence in the South. But Tokyo's continuing support for Seoul is no surprise to the North, and the economic benefit of closer ties with Japan may prompt some positive responses by Pyongyang.

12. Tokyo does not expect the North to change its hostile attitude toward the South or to abandon its objective of con-

trolling the entire peninsula. The Japanese, however, believe that closer ties with Pyongyang will at least improve their chances of acting as a moderating influence and serve as a hedge against any further unanticipated adjustments in US policy in the region.

13. Tokyo realizes that its increased nonmilitary involvement in Korean affairs cannot compensate for a shrinking US military presence in the South. Thus, Japan can be expected to continue to work for new international understandings that would shore up stability on the peninsula; in this respect, Tokyo would undoubtedly welcome any new US initiatives. Japan has been quietly representing Seoul's interests in both Moscow and Peking.

Pyongyang's Major Allies

14. A major factor currently shaping the strategic balance in Northeast Asia has been a rare convergence of Chinese and Soviet interest in maintaining Korean stability.

15. The PRC and USSR approach the Korean situation in ambivalent terms. Both are Pyongyang's treaty allies and traditional military suppliers, and both, in part because of their political rivalry with each other, publicly support North Korea's call for withdrawal of US forces from the South. On the other hand, both Peking and Moscow clearly have placed pursuit of useful relations with the US and Japan above North Korean ambitions for reunification. They seek to disassociate themselves from Kim Il-song's more rash actions and view the US security commitment to Seoul as a useful ingredient in the mix of factors that keep peace on the peninsula and restrain any Japanese impulse toward rearmament. The Chinese tacitly have taken an especially positive view of US military presence, not only in Korea but throughout East Asia, seeing it as a help in blocking the expansion of Soviet influence in the region.

16. We lack hard and authoritative information on Moscow's and Peking's reaction to proposed US force reductions in Korea. Low level Soviet commentary has emphasized the likely maintenance of US air power in South Korea, pointing out that this represents continued US support for the Pak government and connotes no real change in the situation. The private comments of a few Chinese officials abroad have been in the same vein.

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17. This scant evidence probably reflects Chinese and Soviet concern that any withdrawal of US ground forces be accomplished in a manner that does not disrupt the basic political and military status quo on the peninsula. As long as a US force reduction is accompanied by effective compensating measures -- and the maintenance of US air and naval power in the area -- it will be seen by Moscow and Peking as a continuation of the US military drawdown in Asia but not as the removal of a credible US security commitment to South Korea.

18. Peking and Moscow probably fear that Kim will move too quickly and aggressively toward a "tension-building" policy in the wake of a US force reduction. There is some evidence that Kim unsuccessfully sought Chinese support for such a policy following the fall of Saigon in April 1975.

19. Moscow and Peking would be motivated to discourage Kim from embarking on a major conflict with all of its troublesome and uncertain implications for Japanese security policy, bilateral relations with the US, and the power balance in East Asia. But, if Kim became convinced that the US no longer posed a credible deterrent and that other signs of weakness or instability in the South had opened the door for a quick victory, it is doubtful that either Moscow or Peking would be willing or able to place a veto on the venture.

20. Moreover, the buildup of offensive military capabilities in the North and its growing self-reliance in arms production suggest that Pyongyang recognizes that it must be able to mount a surprise attack without Soviet and Chinese support. We believe that the North is capable of such an operation.

21. Moscow and Peking no doubt are anticipating North Korean pressure for increased military assistance in the event that a US force reduction leads to a substantial upgrading of South Korean military capabilities. The Chinese in recent years have been more forthcoming than Moscow in supplying military assistance. But Pyongyang would have to turn primarily to Moscow since China cannot supply the advanced equipment North Korea would require to match a US assistance package for the South.

22. Moscow has turned a deaf ear to Pyongyang's requests for more sophisticated military equipment in recent years. If,

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however, they believed that South Korea's military capability had been significantly upgraded, they would probably respond with assistance to strengthen the North. Over the next year or so, Moscow is not likely to respond to requests for offsetting aid in a manner which further tilts the military balance in favor of the North.

23. We do not believe that a US force reduction, accompanied by compensating measures, would significantly alter current Soviet or Chinese perceptions of the US as a world power or significantly complicate the US relationship with either. Both, for some time, have seen the US as generally on the defensive internationally and, more specifically, as unwilling to become engaged in a future land war in Asia. Both will base their future calculations of US influence in the East Asian region in large part on the degree to which the US maintains its ability to project military force as a Pacific power.

Elsewhere in East Asia

24. The ASEAN states share the general concern that stability be maintained on the peninsula and see a continuing link between the maintenance of American power in Asia and their own security. None, with the possible exception of the Philippines, has confidence that the US would defend them in any regional conflict. But all of them believe that a continued American presence and interest -- including a military presence "over the horizon" -- is an essential element in maintaining the present equilibrium in Southeast as well as Northeast Asia.

25. The Chinese Nationalists on Taiwan probably will see a withdrawal of ground forces from South Korea as reinforcing their view of Washington's reduction of its commitments in East Asia and of the inevitability of an eventual normalization of relations between Washington and Peking. Over the short term, however, Taipei may also argue that the US should not simultaneously withdraw its ground forces in South Korea and abrogate its security treaty with the Nationalists.

26. Elsewhere, North Korea may hope that a US ground force withdrawal from South Korea will be seen as vindicating its policies and thus provide additional support for Pyongyang.

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We believe, however, that US withdrawal plans will more likely work against North Korea's efforts to mobilize world opinion against Seoul and Washington. Support for North Korea in the Third World has levelled off in the last year or so due to Pyongyang's blunt tactics and an effective counterattack by South Korea and the US. With a US withdrawal underway, the Korean problem in general is likely to become less urgent in the nonaligned movement, even for Third World militants. Indeed, the US and South Korea may find it easier to focus international attention on the key issue of maintaining stability on the Korean Peninsula.

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